

Meeting of:	<b>Governance and Audit Committee</b>
Date of Meeting:	<b>Tuesday, 20 July 2021</b>
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Draft Annual Governance Statement 2020/21
Purpose of Report:	To submit the draft Annual Governance Statement for review and to recommend its adoption by the Leader of the Council and the Managing Director
Report Owner:	Managing Director
Responsible Officer:	Head of the Regional Internal Audit Service
Elected Member and Officer Consultation:	Senior Leadership Team
Policy Framework:	The proposals in this report are in accordance with the policy framework and budget.
<p>Executive Summary:</p> <ul style="list-style-type: none"> <li>• The Council, as part of its arrangements for corporate governance, is required to undertake an annual review of internal control and governance and the resulting Annual Governance Statement (AGS) must be included within the Statement of Accounts.</li> <li>• The AGS therefore provides an assessment of the Council's corporate governance arrangements and an appraisal of the controls in place to manage the Council's key risks and identifies where improvements need to be made.</li> <li>• The AGS concludes that from the review, assessment and on-going monitoring work undertaken that reasonable assurance can be given that the governance arrangements for the Vale of Glamorgan Council continue to be regarded as fit for purpose in accordance with the governance framework.</li> <li>• The AGS will be reviewed as part of the external audit on the Statement of Accounts and should reflect any governance issues right up to the date that the Auditor General for Wales signs off the Statement of Accounts for 2020/2021. The impact of the COVID 19 pandemic has been considered and is included within the AGS.</li> </ul>	

## **Recommendation**

1. That the Annual Governance Statement for 2020/2021 be recommended for adoption by the Leader and Managing Director.

## **Reason for Recommendation**

1. To provide for a review of the governance framework and the system of internal control, which has been in place within the Council for the year ended 31st March 2021.

## **1. Background**

- 1.1 The Accounts and Audit (Wales) Regulations 2014, as amended from time to time, requires each Local Authority to conduct a review, at least once a year, of the effectiveness of its system of internal control and the governance arrangements with its Annual Statement of Accounts.
- 1.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Recommended Practice (the code) states that the preparation and publication of an Annual Governance Statement in accordance with "Delivering Good Governance in Local Government" fulfils the statutory requirement regarding the production of a statement of internal control in England, Wales and Northern Ireland.
- 1.3 In 2016, CIPFA published its new "Delivering Good Governance in Local Government Framework", which positions the attainment of sustainable economic, social and environmental outcomes as a key focus of governance processes and structures. The Guidance has considered the requirements of the Well-being of Future Generations (Wales) Act 2015 and embedded the five ways of working into the CIPFA framework.
- 1.4 As with all the work undertaken by the Council, the AGS reflects the Council's responsibilities under the Well-being of Future Generations (Wales) Act 2015. The Council recognises the need to ensure that in line with the sustainable development principle account of how our decisions may impact on future generations is taken. The Council has embedded the five ways of working across its activities and in delivering our priorities we will maximise or contribution to the seven national Well-being Goals.

## **2. Key Issues for Consideration**

- 2.1** Good corporate governance requires the active participation of Members and Officers across the Council. These arrangements are reviewed on an annual basis and the findings used to update the AGS. This helps to ensure the continuous improvement of the Council's corporate governance culture. The inclusion of the AGS within the Statement of Accounts provides an overall assessment of the Council's corporate governance arrangements and an appraisal of the controls in place to manage the Council's key risks and identifies where improvements need to be made.
- 2.2** The draft AGS for the 2020/21 financial year is attached at Appendix A. This Annual Governance Statement explains how the Council has complied with the terms of the CIPFA/SOLACE Framework (2016) for the year ended 31st March 2021. Consideration has also been given on the impact of Covid on governance arrangements in the draft AGS.
- 2.3** The AGS concludes that from the review, assessment and on-going monitoring work undertaken that reasonable assurance can be given that the governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework.
- 2.4** One of the main issues raised and highlighted over the last few years has been the ability of the Council to carry on meeting its service objectives and delivering positive outcomes for its customers and clients in the light of continued reductions in Welsh Government Funding. In the past year, external funding to support additional financial pressures resulting from Covid have been claimed where possible from Welsh Government via the Hardship Fund. This will continue for as long as the funding is available in 2021/22. Assumptions for future years' budgets will continue to be reviewed and amended to reflect the changing circumstances.
- 2.5** The draft AGS will be reviewed as part of the external audit on the Statement of Accounts and should reflect any governance issues right up to the date that the Auditor General for Wales signs off the Statement of Accounts for 2020/21.

## **3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?**

- 3.1** Providing this information helps to demonstrate how the Council ensures that laws & regulations are complied with including the Well-Being of Future Generations Act which sets out the 5 ways of working.

## **4. Resources and Legal Considerations**

### **Financial**

- 4.1** The AGS includes the requirement that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

### **Employment**

- 4.2** None as a direct consequence of this report.

### **Legal (Including Equalities)**

- 4.3** Production of the Annual Governance Statement is required under the Accounts and Audit (Wales) Regulations 2014 as amended from time to time and supports the annual Statement of Accounts.

## **5. Background Papers**

Appendix A - Annual Governance Statement 2020-21

The Council is required to undertake an annual review of internal control and governance and this is achieved by producing the Annual Governance Statement (AGS) which must be included within the Statement of Accounts. The AGS describes the Council's corporate governance arrangements and provides an assessment of those arrangements and where appropriate identifies improvements that need to be made.

### The Purpose of the Governance Framework

The Council's Governance Framework comprises all the systems and processes, culture and values, by which the Council directs and controls its activities, and how it leads, engages with and accounts to the community it serves.

A significant part of that framework is the Council's system of internal control. This helps to manage and control the business risks that the Council encounters in delivering its operations. Not all risks can be eliminated but they can be reduced and mitigated by implementing effective systems of control. This can only provide reasonable and not absolute assurance of the effectiveness of the environment. The Council's Governance Framework, including the Council's system of internal control, has been in place for the year ended 31<sup>st</sup> March 2021 and up to the date of the approval of the Statement of Accounts and is a continuous process.

The Council's Code of Corporate Governance was reviewed in 2016/17, with the amendments made being based upon the "Delivering Good Governance in Local Government: Framework" (CIPFA/SOLACE, 2016). The Framework positions the attainment of sustainable economic, social, and environmental outcomes as a key focus of good governance processes and structures. The focus on sustainability and the links between governance and public financial management are crucial – local authorities must recognise the need to focus on the long term.

This Annual Governance Statement explains how the Council has complied with the terms of the CIPFA/SOLACE Framework (2016) for the year ended 31<sup>st</sup> March 2021.

As with all work undertaken by the Council, the Annual Governance Statement reflects the Council's responsibilities under the Well-being of Future Generations (Wales) Act 2015. The Council recognises the need to ensure that in line with the sustainable development principle we take account of how our decisions may impact on future generations. The Council has embedded the five ways of working across its activities and in delivering our priorities we will maximise or contribution to the seven national Well-being Goals.

## Scope of Responsibility

The Vale of Glamorgan Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money allocated to it is safeguarded, properly accounted for and used economically, efficiently and effectively. The Vale of Glamorgan Council sees Corporate Governance as doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. Strong, transparent and responsive governance enables the Vale of Glamorgan Council to put citizens first by pursuing its aims and priorities effectively, and by underpinning them with appropriate mechanisms for managing performance and risk. In order to maintain citizens confidence, these mechanisms must be sound and be seen to be sound.

The Council has approved and adopted a Code of Corporate Governance which is consistent with the principles of the CIPFA and SOLACE Framework - Delivering Good Governance in Local Government 2016. This statement explains how the Council has complied with the Code.

The Code of Corporate Governance sets out the principles of good governance and describes the arrangements in place to meet each of these principles.

A copy of the Council's Code is available on our website at [www.valeofglamorgan.gov.uk](http://www.valeofglamorgan.gov.uk)

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 practices in transparency, reporting, and audit, to deliver effective accountability.

**GOVERNANCE PRINCIPLES**

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

Ensuring openness and comprehensive stakeholder engagement.

Defining outcomes in terms of sustainable economic, social, and environmental benefits.

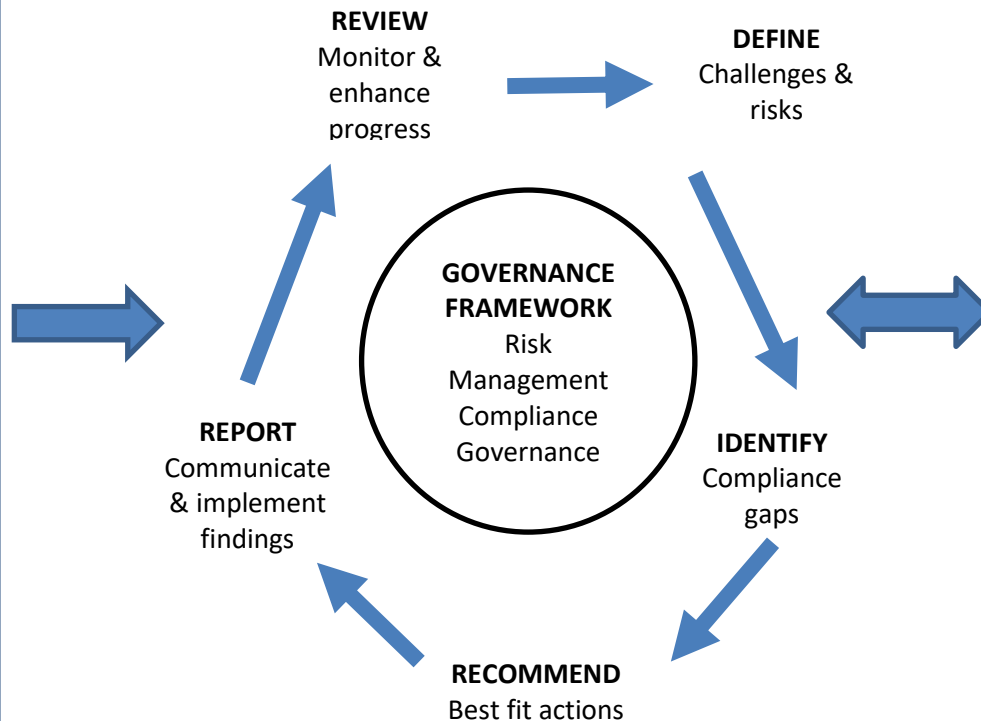
Determining the interventions necessary to optimise the achievement of the intended outcomes.

Developing the entity’s capacity, including the capability of its leadership and the individuals within it.

Managing risks and performance through robust internal control and strong public financial management.

Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

**RELATIONSHIP BETWEEN GOVERNANCE PRINCIPLES,  
INTERNAL CONTROLS  
AND THE REVIEW OF EFFECTIVENESS**



**INTERNAL CONTROLS**

**Leadership, Culture and Planning**  
Organisational priorities and outcomes  
Corporate Plan & Annual Delivery Plan  
Directorate and Service/Team plans  
Performance Management Framework  
Medium term financial Plan

**Policies and Procedures**  
Constitution, Codes of Conduct  
Anti-fraud, Bribery and Corruption Policy, Whistleblowing Policy  
HR Policies, Corporate Safeguarding Policy, Risk Management Strategy

**People, Knowledge, Finance, Assets**  
Robust HR practices  
Information governance  
Performance monitoring and improvement  
Financial management and reporting  
Ethical & legal practices

**Scrutiny and Transparency**  
Freedom of Information requests  
Complaints procedure  
Reports considered by Legal and Finance experts  
Equality impact assessments

**Partnership Working**  
Community engagement;  
Collaboration / Partnership toolkit

## **IMPACT OF COVID 19 PANDEMIC**

The UK was put into lockdown on 23 March 2020 in an unprecedented step to attempt to limit the spread of coronavirus. This followed similar action in other countries across the world. The UK Government put into place a limited number of reasons for people to be allowed to leave their homes. As a consequence, many non-essential shops and businesses had to close, schools were closed, and all non-key workers were required to work from home where possible. Initially the lockdown was for a period of 3 weeks with the First Minister of Wales announcing an easing of lockdown rules from 1 June into July 2020, with confirmation that swimming pools, gyms, leisure centres and indoor play areas could open from 3 August 2020. Further restrictions were introduced at different times with different rules in different parts of Wales and parts of the UK.

Later in the year further lockdowns followed in Wales, the first a two week “firebreak” from 23 October until 9 November 2020, followed by a further lockdown from midnight of 19 December 2020 due to a significant surge in cases from a new strain of the virus. Restrictions started to be eased during March 2021. Further easing of the rules have followed in subsequent weeks and months.

The worldwide COVID 19 pandemic has, and will continue to have, an unprecedented impact upon society. It has led to significant changes to the day-to-day management of the Council, and the nature and delivery of its operations.

The Council’s response to the coronavirus pandemic was managed in line with the Council’s emergency planning arrangements and followed three broad phases:

- i. Preparation
- ii. Response
- iii. Recovery

During the early months of 2020, efforts were made to prepare the organisation for the potential implications of a public health emergency. The most critical elements of this phase were the establishment of the Gold reporting structure, strategy and the identification of critical services and how these could be protected. The Council’s management arrangements for the pandemic were reported to Cabinet 23 March 2020. Due to the speed at which the pandemic spread across Europe, the work of the organisation quickly moved into the response phase. The Council made significant changes in response to the pandemic and associated government regulations and advice, including:

- i. Closure of schools and creation of hubs for key workers’ and vulnerable children
- ii. Introduction of free school meals vouchers (and latterly direct payments) for those eligible
- iii. Payment of thousands of grants to businesses
- ii. Closure of a significant number of services including libraries, parks and recycling centres
- iii. Changes to the operation of care homes, domiciliary care and social work.
- iv. Movement of a large proportion of the Council’s staff to work from home.



- v. Establishment of a PPE distribution team.
- vi. Establishment of a Crisis Support Team, Vale Heroes and relationships with third sector support organisations.
- vii. The payment of a temporary up lift in salary to nearly 500 front-line staff working in the most challenging circumstances.

The Council's local management of the emergency situation was conducted in parallel to significant regional and national partnership working. This involved working across the public sector as part of regional arrangements to safeguard public health and ensure enforcement of regulations. The Managing Director represented the Council at the Strategic Coordinating Group of the Local Resilience Forum. Directors were in constant liaison with counterparts and Ministers to manage the changing circumstances surrounding key services such as education and social services. The Council's participation was also key in developing new services, such as Test, Trace, Protect with the University Health Board, Cardiff Council and other partners. An Incident Management Team arrangement was set up with the University Health Board, Cardiff Council, South Wales Police, and others, to regularly monitor the transmission of the coronavirus, identify local actions and deployment of resources and to make recommendations to Welsh Government on the actions required nationally. These arrangements have subsequently led to significant partnership working to support the development of the mass vaccination programme.

As the country moved into lockdown, all formal meetings including Council, Cabinet, Scrutiny and Audit Committees were cancelled. The Remote Attendance at Council Meetings Statutory Guidance made under Section 4 of the Local Government (Wales) Measure 2011 requires that, even where remote access is permitted as part of a Council's constitution, any meeting with remote attendees is not quorate if there are less than 30% of those eligible to attend present at the main meeting place. As such, the Measure prevented any meeting of Council or its subcommittees to be quorate at the time of the Governments implementation of lockdown measures.

As a result of the need to suspend Council meetings it was necessary to ensure that the Council had robust governance arrangements in place to ensure business continuity as emergency legislation from Central Government and Regulations from Welsh Government were being issued.

The Council's Constitution provides that the Managing Director or in his absence the nominated Deputy has the delegated power to act, after consulting the appropriate Cabinet Member in respect of any matter which, in his opinion:

- a) requires immediate action, and
- b) does not justify holding a special meeting of the body which would ordinarily consider the matter or is of such urgency or emergency as not to allow for such a meeting, use of such delegated powers to be subsequently reported back to the Cabinet or Council as appropriate.

In the case of matters involving financial commitments, the Leader, Section 151 Officer, and the appropriate Chief Officer must also be consulted.

To ensure transparency, all decisions approved under the use of the Managing Director's Emergency Powers were recorded and reported by Democratic Services on a fortnightly basis by email to all Members of the Council and made available to the public for inspection on the Vale of Glamorgan Council website.

A detailed report on Coronavirus Preparations, Officer Delegations and Council Working / Business Continuity was presented to Cabinet on the 23<sup>rd</sup> March 2020 and the recommendations agreed.

The Council's Corporate Management Team held daily virtual meetings as a Gold Command using well established Emergency Planning reporting mechanisms. This allowed consideration of urgent matters, a focus on strategic actions as well as those where decisions were required in a very short timescale. The meetings also focussed on key areas of risk to the organisation as well as the communities of the Vale of Glamorgan. The meetings were chaired by the Managing Director and also involved the Leader and Deputy Leader as well as the Council's Emergency Planning lead and Communications Manager. Any decisions taken that would normally require Cabinet or Council approval were made via the Managing Director's Emergency Powers and these were documented and reported until all formal meetings were reinstated following the summer recess of 2020.

On the 22<sup>nd</sup> April 2020 Welsh Government issued new regulations, the Local Authorities (Coronavirus) (Meetings) (Wales) Regulations 2020, which relaxed the quorum restrictions and allowed remote attendance at meetings. This enabled a number of committees to meet during the pandemic (such as school admissions appeals).

Welsh Government provided a number of specific grants to meet the additional costs to Local Authorities, for costs in general and targeted at specific areas, such as adult social care and homelessness services. Costs were collated across the Council to enable these grants to be accessed. There is also the impact of lost income from fees and charges, which creates an additional pressure. At this stage it is unclear whether this additional funding will cover all of the Council's additional costs incurred as a result of the pandemic, but close monitoring is in place and all costs are subject to close scrutiny.

Changed working practices had to be introduced due to the impact of remote working which continued for the majority of staff through 2020/21. Essential key workers continued to attend their workplace with the appropriate social distancing and protective measures in place.

A number of staff were repurposed to support key Services and also into new roles to support the Test, Trace & Protect (TTP) Service.

Internal controls and risk management have been adapted to support remote working and Internal Audit were consulted where appropriate to ensure they were effective. Internal Audit reviewed those arrangements during 2020/21 to provide assurance that they remained effective.

### Recovery

A Recovery Strategy has been developed to establish a council-wide approach to the recovery of the organisation. This has been developed in line with the Council's Emergency Planning procedures in managing the recovery phase and was presented to Cabinet in September 2020. Key principles followed in the development of the strategy included:

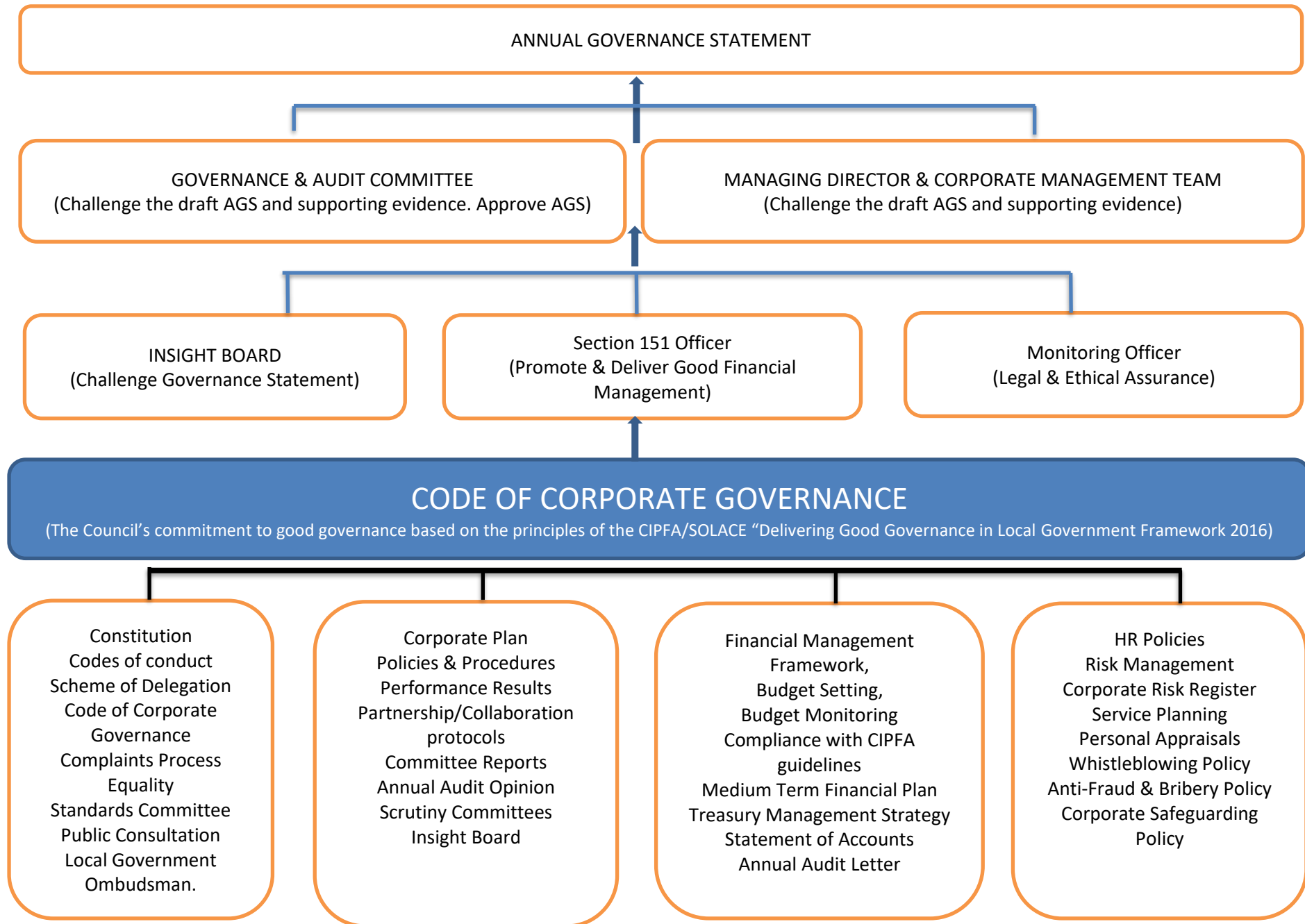
- i. Recognise this is not 'recovery' to a previous state for all services;
- ii. Acknowledge the recovery process will take significant time and be influenced by a number of significant issues, and will not necessarily be linear ('lockdowns' or other regulations may be introduced that impact upon different services in different ways and at different times and at short notice);
- iii. Identify this as an opportunity unlike any other to fundamentally think about the way in which the Council operates.

The organisation has moved at a pace and scale to deliver change that has never been seen before. The learning from this is being harnessed and used to reshape the Council.

The Recovery Strategy has facilitated the development of the Council's Annual Delivery Plan for 2021/22, which incorporates the strategic recovery principles and actions. However, as the full implications of the pandemic become clearer, the scope and priority of some of our activities in the Annual Delivery Plan may change in response to evolving circumstances. Service areas have used the Recovery Strategy as a catalyst to review the impact of Covid within their own service areas and identify key lessons learnt. Equally, service areas have been able to draw on the Recovery Strategy to inform the development of their Service Plans for 2021/22.

To inform and accompany the Recovery Strategy, assessments of the economic impact and community impact of coronavirus on the Vale of Glamorgan were produced. Synthesising data and analysis from a range of international, national, regional and local sources, these assessments have identified the priority areas for action and will be key elements of the Council's evidence base upon which to take decisions going forward.

The assessments identify that the longer-term consequences of the coronavirus pandemic are still not yet fully known. However, it is inevitable that a number of businesses will find themselves in financial difficulties and maybe go out of business. There are also likely to be potential increases in levels of deprivation with associated demands placed upon Council services as a consequence of the increased number of families applying for universal credit and council tax support. Financially we expect there to be pressures on service costs, and reduced council tax and business rates income. In the short term it will be difficult to quantify the wider impacts, which will be understood once the pandemic has passed and life begins to return to some form of normality.



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

The Council supports a culture of behaviour based on shared values, ethical principles and good conduct. This guides how the long-term vision is put into effect and how members and officers behave in their day to day work. The behaviour of elected members and officers is governed by codes of conduct, which include a requirement for declarations of interest to be completed. The roles and responsibilities of elected members and officers and the processes to govern the conduct of the Council's business are defined in procedural standing orders, scheme of delegations, contract and financial procedure rules. Codes of Conduct are in place which define the high ethical values and standards of behaviour expected from Elected Members and officers to make sure that public business is conducted with fairness and integrity. The Council's Code of Conduct for its Elected Members builds on the seven principles of public life and the Council has arrangements in place to receive and investigate allegations of breaches of proper standards of conduct which are outlined within the Council's Constitution, including the Council's Local Dispute Resolution Procedures and the Protocol of Standards which support the Code of Conduct for Elected Members.

The Council's Monitoring Officer is responsible for ensuring that agreed procedures are followed and that all applicable statutes and regulations are complied with.

The Council seeks feedback from the public through its complaints procedure for both Corporate and Social Services areas, responding to the outcomes as appropriate and reporting the results at least annually to the Audit Committee. The complaints dashboard enables data to be monitored in real-time across all service areas to ensure lessons are being learned to improve how we manage, monitor and learn from complaints. During 2020/2021 the Council received 338 complaints, 66.5% of which were dealt with within corporate target timescales. The percentage of complaints being resolved at Stage 1 was 90.5% and 9.95% Stage 2. A slightly lower percentage of complaints have been resolved at Stage 1 than in the previous year (93%). Under the Social Services complaints procedure, a total of 93 complaints and enquiries were received of which 26% were dealt with within target times. During 2020/21, of the 40 complaints received by the Public Services Ombudsman for Wales, 1 was upheld against the Council (including Social Services) and 3 were resolved through the early resolution process.

**Principle A –  
Behaving with  
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of law**

The Council also has a clear Whistleblowing Policy and arrangements in place for staff. During 2020/21, 4 concerns were raised, 1 of the concerns was partially upheld and 3 issues were not upheld.

The Constitution is at the heart of the Council's business. It provides an important means of enabling councillors, officers, citizens and stakeholders to understand how the Council makes decisions and who is responsible for those decisions. It also regulates the behaviour of individuals and groups through the codes of conduct, protocols and standing orders. Through the Council's Constitution, the Council has created the conditions necessary to ensure that the statutory Chief Officers, other key post holders, Members and where appropriate statutory committees are able to fulfil their responsibilities in accordance with legislative and regulatory requirements.

**Principle B –  
Ensuring  
openness and  
comprehensive  
stakeholder  
engagement**

The Council is committed to understanding and learning from the views of the public. Engagement is the process by which views of stakeholders are able to inform and influence policy and service delivery. The Council's planning and decision-making processes are designed to include consultation with stakeholders and the submission of views by local people.

The Council's Public Engagement Framework details how public engagement activities are undertaken by the Council. During 2020/21 the Council's ability to undertake consultation and engagement projects has been limited by restrictions in place due to COVID, however a number of activities have taken place.. These included the following:

- The Future of Council services – Budget 2021/22 Consultation
- Climate Change Conversation
- Annual Delivery Plan 2021/22
- Resident Parking Zones
- Public Space Protection Orders – Controlled Alcohol Zones
- M4 Junction 34 to A48 Transport Improvements WeITAG Stage 2 Plus

Following the Staff Survey 2018 results, Local Engagement and Innovation Groups were established in all directorates to allow Heads of Service and local Engagement leads to drive forward the staff survey results and innovation ideas in a localised setting, and allow all staff to share views and ideas with local Engagement Champions. Following this all areas will have Local Engagement Action Plans that will work in conjunction with the Corporate Action Plan to drive forward engagement and innovation.

Whilst much of this work was suspended due to the coronavirus pandemic, the Council surveyed all staff in the summer of 2020 to understand how colleagues' well-being had been affected by the pandemic and to understand their thoughts about future working arrangements. This information was used to inform the Recovery Strategy.

**Principle B –  
Ensuring  
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The Engagement and Innovation Forum was relaunched in October 2020, with a new intake of Engagement Champions and a new focus to make tangible changes that directly impact the Engagement Index within the Staff Survey. A review of the Staff Charter was undertaken in 2020/21 and a new 'Culture Book' has been created which will launch in July 2021, with input from the Engagement Champions.

In 2020 a Staff Wellbeing Survey was undertaken to measure how staff were coping with the effects of the pandemic. As a result, Staff Wellbeing Champions and Mental Health champions have been working together to organise virtual activities to support staff wellbeing.

Decisions made by the Council and/or Cabinet are documented in the public domain, unless confidential along with reasons for those decisions. The impact and consequences of all decisions are clearly set out.

A range of methods are used to gather Vale residents' views. These range from traditional methods such as quantitative surveys and focus groups to engagement events involving the use of participative methods of interactive workshops. The Public Engagement Database is being further developed as an Insight function to better share data and insight gathered using a range of methods.

The Council's budget consultation for 2021/22 was integrated with the consultation on the Annual Delivery Plan in the Autumn 2020, with the aim of identifying priorities for residents that should be included in the Council's forward word programme.

The consultation was promoted across the Council's social media channels such as Facebook and Twitter, the local press. Due to the timing of the consultation and the Coronavirus restrictions that were in place at the time, digital methods had to be used in the main to capture residents' views and promote the consultation.



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

“Strong Communities with a Bright Future” is the vision for the Vale of Glamorgan and the Corporate Plan 2020-2025 sets out how the Council intends to work towards the delivery of this vision and the promotion of well-being. The Plan set out the activities to be undertaken to ensure the best possible outlook for Vale citizens and communities.

In delivering this vision, the Council is mindful of the short, medium- and long-term challenges and the need to work with partners and the local community. In developing the Council’s Corporate Plan for 2020-25 consideration was given to the achievements from the previous plan, local needs and available resources and has incorporated the views of residents, partners and staff to inform the Council’s key priorities going forward. The Council has embraced the Well-being of Future Generations (Wales) Act 2015 (WFGA) and the Corporate Plan is framed around four Well-being Objectives that are aligned to the well-being goals of the WFGA and the Council’s Well-being Outcomes which are:

- An Inclusive and Safe Vale;
- An Environmentally Responsible and Prosperous Vale;
- An Aspirational and Culturally Vibrant Vale, and
- An Active and Healthy Vale.

The Corporate Plan is underpinned by a set of enabling strategies (including the Asset Management Plan, Medium Term Financial Plan, Human Resources Strategy, Workforce Plan, ICT Strategy, Customer Relations Strategy, Performance Management Framework and Risk Management Strategy and Register) which together form the Council’s overall policy framework supporting improvement.

An integrated model of working has been adopted to look at all aspects of corporate governance and planning arrangements to ensure that they are inter-related, complementary, consistent and no longer undertaken in isolation. This continues to ensure that the Council’s integrated processes and policies become an enabling force for the delivery of the Corporate Plan’s vision and the Well-being Outcomes.

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

2020/21 marked the start of a new Corporate Plan. During 2020/21 the Council agreed an Annual Delivery Plan (ADP) for 2020/2021 that was published in June 2020. The ADP sets out the key activities to be undertaken by the Council 'in year' to deliver on the commitments in the Corporate Plan. The ADP provides a framework for annual Service Plans and monitoring progress in delivering the Corporate Plan. The ADP for 2021/22 also reflects the priorities in the Council's COVID-19 Recovery Strategy and issues identified in the COVID Community Impact Assessment. The Recovery Strategy aligns with the Council's Well-being Objectives are:

- To work with and for our communities
- To support learning, employment and sustainable economic growth
- To support people at home and in their community
- To respect, enhance and enjoy our environment

Both the Local Government (Wales) Measure 2009 and the Well-being of Future Generations (Wales) Act 2015, place specific duties on objective setting and reporting. The retrospective aspect of this duty involves undertaking an annual self- assessment that is presented as an Annual Report (previously referred to as the Improvement Plan (Part 2)). The Annual Report is one of the most significant documents produced by the Council that is used to demonstrate effective accountability and transparency.

The Annual Report presents a position statement on the Council's performance retrospectively over the past year in delivering the Council's priorities as set out in the ADP aligned to the Corporate Plan (. Self-assessment of performance is an important way for the Council to identify the capacity and ability to deliver continuous improvement by identifying areas of strength and those requiring particular focus in coming years. The challenges and achievements from the Annual Report are used to identify the actions required to be undertaken in future years and progressed through the service plans. The Annual Report (self-assessment),at the time of writing, is underway and is due to be published in October 2021. The findings of the Annual Report 2020/21 will be used to inform the development of the next Annual Delivery Plan, that will set out priorities for delivery during 2022/23 alongside Service Plans and associated targets. The 2020/21 Annual Report will be the final annual self-assessment under the Local Government (Wales) Measure 2009. In preparation, alongside meeting the requirements of the Measure, this year the self-assessment will also incorporate elements of the new performance requirements of the Local Government & Elections (Wales) Act.

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

Quarterly/Monthly reviews and monitoring of corporate improvement priorities are undertaken to ensure actions are completed, reported and closed down in a timely manner. An annual review of regulatory recommendations / proposals for improvement also form part of the Council's Annual Report (Self-assessment process) enabling the Council to demonstrate progress on implementation of these in line with the Council's duties under the Local Government (Wales) Measure 2009 and Audit Committee receives a six months progress report.

The Insight Board continues to enhance and streamline the corporate governance arrangements relating to integrated planning activities and reports to CMT and Cabinet. Further work is being undertaken to enhance our internal 'insight' function, using a wide range of data sources (including a blend of operational and national research and information) to identify issues and take action. This will play increasingly important role in strengthening our evidence base to meet our legislative requirements under the Local Government & Elections (Wales) Act 2021 and the Well-being of Future Generations (Wales) Act 2015.

This focused approach is contributing to more integrated business planning practices, staff development opportunities, continued promotion of "One Council" working and has significantly reduced the overall amount of officer time spent in meetings.

With corporate improvement and performance, a key aspect of the remit of the Board, monthly reviews and monitoring of corporate improvement priorities are undertaken to ensure actions are completed, reported and closed down in a timely manner.

A new approach is being developed to enhance monitoring and reporting of progress against key priorities. Actions agreed in response to the simple changes developed and promoted by the Well-being of Future Generations Commissioner have been embedded into a tracker. Progress has also been made in developing the Insight function with a stronger emphasis on using evidence in terms of data and consultation outcomes and new pages being developed for the Council's Staffnet. Progress has also been made with the use of Microsoft Power BI to improve the use of and accessibility of data through the provision of more engaging reports.

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

The Council has a successful track record of delivering a balanced budget made possible by its robust approach to managing finances which incorporates an effective corporate framework for financial planning, financial management and control. These arrangements enable the Council to regularly review and challenge financial performance and monitor spend against budgets.

The Council was able to transfer £12.2m from revenue into reserves at year end, 2020/21, which resulted in a breakeven position, however, there were areas experiencing financial pressures mainly in Waste Management. £78.36m was spent through the capital programme during 2020/21, with £47m relating to Schools.

The Council received an increase in its revenue settlement from Welsh Government for 2020/21 of 4.29% (after adjustments). This was the first increase for many years. The Council was therefore able to set an efficiency target of £247k for 2020/21 which is significantly lower than the targets that had been set in previous years, with no reduction in funding for Schools. During 2020/21 the Council has received funding from Welsh Government in relation to increased expenditure and lost income resulting from the impact of the Pandemic. Currently access to this additional funding has been confirmed until the end of September 2021 and the Council will continue to claim this financial support as appropriate.

The Council received a positive settlement for 2021/22 which has meant that efficiencies to be found in the new financial year are £500,000. The financial challenges facing the Council could still be significant depending on future settlements from Welsh Government. This has become more uncertain due to the Coronavirus pandemic and the position will need to be assessed when further information becomes available. The possibility of future reductions in funding needs to be considered.

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

The Council achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that the Council has to make to ensure intended outcomes are achieved. The Council must have robust decision-making mechanisms in place to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource inputs while still enabling effective and efficient operations. The Council recognises that informed decision making is a fundamental part of good governance. Decision makers receive objective analysis of a variety of options indicating how intended outcomes would be achieved together with the risks associated with those options. In determining how services and other courses of action should be planned and delivered the Council is increasingly engaging with internal and external stakeholders.

The Council fosters effective relationships, collaborative working and contractual arrangements with other public, private and voluntary organisations in delivering services that meet the needs of the local community as stated in the Council's Corporate Plan.

The Council is a major partner in the Public Services Board, with the Leader of the Council chairing this partnership which works to deliver the Vale Well-being Plan. The Cardiff and Vale Regional Partnership Board brings together the two regional local authorities with health and others, to focus on delivering joined-up services across health, social care and housing.

Partnership working throughout the COVID crisis has been testament of the strong foundations in place. This includes work with the Health Board and Cardiff Council to establish a regional Test, Trace and Protect Service and to roll out mass vaccinations. Work has been undertaken through the Local Resilience Forum and Safer Vale and work with the Third Sector to establish Vale Heroes and with local schools to address food poverty.

One of the Council's key strengths is its ability to explore opportunities to work in partnership with others and the Council has developed a robust approach to collaborative working to enable it to maximise benefits for its customers and residents. The Council has developed and hosts a few regional services, including the Shared Regulatory Service and the Regional Internal Audit Service.

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

The Council aims to deliver high quality services that provide value for money and which are aligned to the needs and priorities of the local community. The Council is committed to ensuring that the relevance of the Well-being Objectives in the Corporate Plan continue to reflect the priorities for the Vale of Glamorgan.

The Council undertakes annual Service Planning that is aligned to the priorities set out in the Annual Delivery Plan and Corporate Plan. Service Plans are our delivery arm of the ADP specific to each service area. Through self-assessment, Service Plans provide an opportunity for service areas to outline how they are going to achieve continuous improvement by delivering the priorities of the ADP and contribute to meeting the Well-being Objectives of the Corporate Plan. The Service Plans are used as a tool to also inform the development of a Performance Audit Programme which is produced in conjunction with the Council's external regulators.

The Council's vision and priorities as set out in the Corporate Plan are reflected in Service Plans and support the development of detailed actions and performance targets that contribute towards the achievement of Corporate Plan priorities and set out how resources will be used to support this work. Scrutiny Committees review the Service Plans on a quarterly basis, including the achievement of set targets and actions through performance reporting. Performance reporting via Scrutiny Committees is presented as a singular report, and performance is reported by Wellbeing Objectives. Scrutiny Committees review and scrutinise performance on a quarterly basis aligned to their committee's remit. Taking a more integrated and cross-cutting approach to how Service Plans and the ADP is reviewed enables a more holistic approach to monitoring and reflects that multiple service areas contribute to multiple priorities.

**Principle E –  
Developing the  
entity’s capacity,  
including the  
capability of its  
leadership and  
the individuals  
within it.**

The Council aims to ensure that members and officers of the Council have the skills, knowledge and capacity they need to discharge their responsibilities and recognises the value of well-trained and competent people in effective service delivery. All new members and staff undertake an induction to familiarise them with protocols, procedures, values and aims of the Council. There is a Member Development Strategy, which provides a framework for supporting elected members in the numerous roles that they are required to undertake both within, and outside, the Council. This activity has moved to virtual delivery methods since the pandemic.

The Senior Leadership Team consists of the Managing Director, three Corporate Directors, the Council’s Monitoring Officer, the Council’s Section 151 Officer, the Head of Human Resources, the Head of Digital, the Head of Policy & Business Improvement and the Head of Regeneration and Planning. The roles and responsibility of Corporate Officers are defined in agreed job profiles and set out in the Council’s Constitution. Chief Officer Performance is reviewed on an annual basis in accordance with the Chief Officer Appraisal process.

The Managing Director is responsible and accountable to the Council for all aspects of management including promoting sound governance, providing quality information / support to inform decision-making and scrutiny, supporting other statutory officers, and building relationships with all Councillors.

Member training (including Co-opted Members and observers on Committees ) on the use of virtual meeting software was arranged during the pandemic and provided by Democratic Services officers prior to the meetings being undertaken on the virtual platforms. Remote meeting procedures were also developed, approved, uploaded to the website and forwarded to Members for information.

Chair and Vice Chair virtual training was undertaken by an external consultant and Democratic officers have undertaken one on one virtual training with Chairs / Vice chairs as requested. A meeting script for the Chair detailing meeting conduct and management of any public contribution at Committee meetings has been prepared for each Committee as appropriate. Democratic Services officers continue to support all Members regarding the use of the virtual meeting platforms as required. A trouble shooting / quick guide and useful hints aide memoire is currently being drafted which will be shared with all members asap.

**Principle E –  
Developing the  
entity’s capacity,  
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within it.**

Notwithstanding the above Members of the public who register to speak at meetings have also been supported by Democratic Services officers with regard to the virtual platforms in use, as appropriate.

Other training provided to Members 20/21

- “Show Racism the Red card” interactive sessions Nov / December 2020
- Treasury Management – 1st March 2021
- Equality and Diversity – e-learning module on iDev
- Equality Matters – e-learning module on iDev
- What is Discrimination? – e-learning module on iDev
- Trans Awareness – e-learning module on iDev.

Consideration of an updated Member Development Strategy and draft Member Induction programme 2022 will be considered by the Democratic Services Committee in July, 2021.

One of the Council’s key strengths has been the ability to explore opportunities to work in partnership with others and the Council has developed a robust approach to collaborative working. In addition, Cabinet receives a six-monthly report providing an update on progress being made with strategic collaborative working initiatives. The Council continues to work proactively with a range of partners to transform how services will be delivered as well as considering new and innovative models of delivery in line with the Council’s Reshaping agenda.

The Council has developed and implemented a protocol for managing information and the interface between Cabinet and Scrutiny.



**Principle E –  
Developing the  
entity’s capacity,  
including the  
capability of its  
leadership and  
the individuals  
within it.**

Through the established workforce planning and staff engagement processes, the Council continues to maintain a highly skilled and resilient workforce that is responsive to the constantly changing environment. The Council has continued to make good progress in delivering the 15 commitments within the Staff Charter, which details the expectations of staff and managers in a “reshaped” working environment.

During 2019/20 the Core Competency Framework was launched for all staff and the Management Competency Framework for all Managers and Leaders, linked to the annual #Itsaboutme process and providing a framework around behavioural expectations. The #Itsaboutme process also moved online for staff with IT access, allowing for easier reporting and monitoring. In line with the Management Competency Framework the bi-annual Management Development Sessions for Chief Officers and all managers continue to be delivered, albeit virtually during 2020-21.

The enhanced onboarding and induction process, engaging with new staff from the time they sign contracts, ensuring a more robust and shorter time to competency has continued remotely.

The ongoing development of the online learning catalogue provides all staff with the opportunity to take charge of their development. Focus for 2020/21 has been on providing learning initiatives around the new way of working and wellbeing; with several online learning modules and virtual learning being provided through learning café to support both areas.

Wellbeing has been a huge focus in 2020/21, and initiatives to support the physical, mental, emotional and financial wellbeing of all staff have been provided.

As of January 2021, the use of iDev has been extended to include all School Staff and the Social Service L&D Team has moved from a regional operation to a team solely based in the Vale and now forms part of the OD and Learning team.

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

The Council, which has overall responsibility for directing and controlling the organisation, has approved an Executive / Scrutiny model of decision making. Full Council sets the policy and budget framework. Within this framework, the majority of key decisions are made by the Cabinet (as Executive). Cabinet meetings are open to the public (except where items are exempt under the Access to Information Act). The decision-making process is scrutinised by five Scrutiny Committees, which support the work of the Cabinet as Executive and the Council as a whole.

Risk management is an important feature of the Council's governance arrangements and it is recognised that successful risk management relies on a corporate approach to ensure that all risks are identified and managed systematically and consistently across the Council. The Risk Management Strategy sets out the approach to the identification of and responses to strategic and operational risks. The Council's Risk Management Strategy also provides essential input to the determination of Council priorities, targets and objectives. The Risk Management Strategy was last presented to the Council's Audit Committee on 1<sup>st</sup> May 2018 but will be refreshed during 2021 to reflect the new Corporate Plan 2020/25.

The Council has a well-established risk management process in place for corporate and service risks. This has been further enhanced by the Council's focused corporate approach to integrated planning via the Insight Board and enhanced corporate performance reporting arrangements. The Insight Board provides a strategic focus for the delivery of the Council's Corporate Plan and the Well-being of Future Generations Act, ensuring that the seven well-being goals and our five ways of working are grounded in our robust corporate governance and providing an integrated approach to corporate planning and risk management. The Council has continued to hone its approach to corporate risk management using a reporting format which reflects the different needs of the various audiences. This provides a holistic overview of all risks to enable the identification of any trends or themes within the risks impacting on the Council, as well as the robust management of individual risks by risk owners, the Insight Board and Audit Committee.

A key feature of corporate risk management continues to be horizon scanning of emerging risks which are outlined quarterly in a Corporate Risk Summary Report. This supports the role of the Insight Board, Corporate Management Team, Cabinet and Audit Committee by providing them with an overview of any issues associated with emerging risks and provides an opportunity to scrutinise potential risks in greater detail.

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

In addition to this, the Corporate Risk Summary Report also highlights a small number of risks on the register each quarter where a more detailed brief of the issues are highlighted. This gives both officers and Members a spotlight for discussion where issues surrounding those risks can prompt more detailed scrutiny and analysis and enable the identification of any further action where required. This has been particularly effective during the Pandemic, as it identifies emerging risks and challenges associated with Covid to be highlighted through risk reporting. The monitoring of service risks identified through our service planning process continue to be monitored quarterly to enable risk owners to reduce, eliminate and manage their service risks.

An audit review of our risk management processes was undertaken during 2020/2021. The findings from the review provided a 'reasonable' audit opinion in relation to the management of risks across the local authority. This indicates that the Council has sound systems/processes in place in terms of how risk is managed. The review identified that the 'Council's arrangements for risk management are well defined and consistently applied, with only low-level recommendations made. The Council recognises there is always scope for improvement and these recommendations will be progressed in the forthcoming year (2021/22).

The Council has put in place robust performance management arrangements, to monitor the Corporate Plan. Currently, reports are presented in a focused and accessible way that highlights performance by areas of exception thus promoting more effective scrutiny. By further strengthening our performance reporting arrangements we have developed a partnering approach with officers that has further enhanced performance accountability in service areas to ensure success.

Throughout 2020/21, we have continued to focus on enhancing our monitoring and reporting of performance against the new Corporate Plan in order to reflect the holistic and cross-cutting nature of the Corporate Plan and it also provides us with a strong evidence base for how we are contributing to the new wellbeing objectives, the Plan's new priorities and the national Well-being Goals.

The Corporate Plan and Annual Delivery Plan have provided an opportunity to further enhance the scrutiny function. For example, alternative forms of scrutiny and a focus on case studies and cross-cutting themes will continue to be developed during of the delivery of the Plan. This will take forward the work already underway in response to the report from the Wales Audit Office which identified areas for development for the Council in relation to the Scrutiny function and take advantage of the digital opportunities offered by virtual / hybrid meetings. An action plan has been devised and agreed by the Cabinet and the Scrutiny Committee - Corporate Performance and Resources with work now being undertaken to address the issues and ongoing monitoring taking place

Working with Directors and Elected Members via a member led working group a new style of performance reporting was developed. This new style of reporting aligned to the Corporate Plan 2020/25 will be further developed in line with the requirements of the Local Government & Elections Act.

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

The Head of Finance / Section 151 Officer is responsible for the proper administration of all aspects of the Council's financial affairs including ensuring appropriate advice is given to Cabinet and the Council on all financial matters. The Council's system of internal financial control is based on a framework of financial / contract procedure rules and notes, regular management information, administrative procedures (including segregation of duties), management supervision and a system of delegation of accountability.

The financial management of the Council is conducted in accordance with all relevant legislation and its Constitution. Through the Council's focus on integrated planning it has been able to take a more holistic approach to corporate planning arrangements that include risk management, financial and asset management, workforce planning, performance management and information management. As a consequence, corporate arrangements are now better co-ordinated and complementary to each other which puts the Council in a stronger position to secure continuous improvement. The Council has a successful track record of delivering a balanced budget made possible by its robust approach to managing finances which incorporates an effective corporate framework for financial planning, financial management and control.

The CIPFA Financial Management Code (FM Code) is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code is based on a series of principles supported by specific standards which are considered necessary to provide the strong foundation. Each local authority must demonstrate that the requirements of the code are being satisfied. The first full year of compliance with the FM Code is 2021/22 with 2020/21 deemed to be a shadow year. The Council is able to comply with this standard.

The Council's Medium-Term Financial Plan clearly links to the priorities outlined in the Corporate Plan to ensure they are financially viable and that the MTFP is closely aligned with the business planning cycle.

The Council has a proactive, holistic approach to tackling fraud, bribery, theft, corruption and crime, as an integral part of protecting public finances, safeguarding assets, and delivering services effectively and sustainably. The Council has been successful in investigating matches arising from the National Fraud Initiative and any recommendations raised in the Audit Wales report 'Raising Our Game Tackling Fraud in Wales' will be fully considered and integrated into the Council's Fraud Strategy and Framework 2021/22 to 2024/25.

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

The Council remains committed to implementing good practices in transparency, reporting and audit to deliver effective accountability. This is demonstrated by:

- Mechanisms which are in place for reporting progress against key regulatory recommendations / improvement proposals via the Insight Board, Governance & Audit Committee, all Scrutiny Committees, and Cabinet.
- All Committees have clear Terms of Reference and work programme;
- Procedures are in place for sign-off of Cabinet Reports ensuring legal and financial implications have been appropriately assessed and are consistent with corporate policy

The Council reports at least annually on performance, value for money and stewardship of resources to stakeholders in a timely and understandable way.

The Internal Audit Service is a key means of assurance. From 1 April 2019 the Council hosted an expanded Regional Internal Audit Shared Service (RIASS) partnering with Bridgend, Rhondda Cynon Taff and Merthyr Tydfil Councils. This has operated effectively throughout the year and the service operated to the Public Sector Internal Audit Standards (PSIAS). The Governance & Audit Committee approved the Internal Audit Charter for the Regional Internal Audit Shared Service in September 2020. The Governance & Audit Committee also approve the Internal Audit Annual Plan and receives progress updates at every meeting.

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 2020-21 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.

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

As described the way the Council has had to operate during 2020-21 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 2020-21 and a limited number of audits were deferred due to the pressures on some service areas. These audits will be carried out in 2021-22. 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.

The Council responds to the findings and recommendations of Internal Audit, External Audit and other inspection bodies. The Governance & Audit Committee is integral to overseeing independent and objective assurance and monitoring improvements in internal control and governance.

## Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of the effectiveness is informed by the work of Internal Audit and Chief Officers within the Authority who have responsibility for the development and maintenance of the internal control environment, and also by comments made by the external auditors and other review agencies and inspectorates.

The review of effectiveness is informed by:

- ✓ The Annual Internal Audit Assurance opinion, as provided by the Regional Internal Audit Shared Service
- ✓ The Governance & Audit Committee provides the focus for reviewing the effectiveness of the system of internal control.
- ✓ The Cabinet (as Executive) is responsible for considering overall financial and performance management and receive comprehensive reports on a regular basis. The Cabinet is also responsible for the decisions and for initiating corrective action in relation to risk and internal control issues.
- ✓ The Scrutiny function which holds the Cabinet to account.

The Council's Senior Managers, together with Head Teachers/ Chairs of Governors completed Risk / Impact questionnaires which aimed to provide assurance that internal controls were still effective despite changes made due to the pandemic. Assurance was gained from the positive responses received and any minor issues raised in respect of risk, internal control and governance have been addressed.

The Council's Monitoring Officer has a legal responsibility to look into matters of potential unlawfulness within the Council.

The Standards Committee has monitored standards of conduct

During 2020/2021 the Council received 338 complaints (2019-20 = 525), 66.5% of which were dealt with within corporate target timescales. The percentage of complaints being resolved at Stage 1 was 90.5% and 9.95% at Stage 2.

The Performance Framework has operated effectively during the year. Monitoring of key areas of performance has been regularly provided to Cabinet and Scrutiny.

**Review of Effectiveness**

In relation to Corporate Health, the Council continues to perform well in the context of supporting Council services in the delivery of the Corporate Plan Well-being Outcomes. The improved approach to Integrated Planning, via the established Insight Board, is enabling services to effectively deliver transformational change in line with the Reshaping Services agenda and the Council's duties under the Well-being of Future Generations Act. Integrated Planning enables the Council to take a more holistic approach to their corporate planning arrangements that include risk management, financial management, workforce planning, performance management and information management. The Council has developed a robust approach to collaborative working, has a successful track record of delivering a balance budget and generally performing well in performance indicators across all service areas.

During the latter part of 2020 an annual self-assessment (Annual Report) of the Council's performance over the previous year in delivering the Council's priorities relating to the Corporate Plan was undertaken as part of the Annual Report 2019/20. This Annual Report and the quarterly performance reports for 2020/21 are a key source of information supporting this Annual Governance Statement. Work on the 2020/21 Annual Report (self-assessment) has commenced and will be published by 31<sup>st</sup> October. 2021.

The Council is dedicated to ensuring that its resources are utilised in the most effective and efficient manner whilst delivering continuous improvement. The Council introduced a strategy for transformational change called "Reshaping Services". Through effective management of the Council's Reshaping Services Programme, transformational change is being delivered in line with the Council's Corporate well-being outcomes and duties under the Well-being of Future Generations (Wales) Act 2015. In 2020/21, the Reshaping Services Programme work continued to an extent, but the majority of resource was repurposed to support the Council's response to the pandemic. The Recovery Strategy has identified significant opportunities to deliver transformational change reflecting on the experience of the past year. A revised approach to transformation has been developed for 2021/22 onwards and was reported to Cabinet in March 2021.



**Review of Effectiveness**

**Insight Board**

considers corporate priorities outlined in the Corporate Plan including:  
Financial Planning;  
Workforce planning,  
Partnership & collaborations;  
Communication;  
Risk and Asset Management, and  
Governance.

**Working Groups / Projects**

Staff Engagement Forum;  
Information Governance Group;  
Income Generation;  
Digital Champions Programme;  
Housing Forums;

**Governance**

The Code of Corporate Governance complies with the Delivering Good Governance in Local Government Framework 2016.

**Key Developments**

Implementation of the Management Competency Framework;  
Revised staff appraisal #itsaboutme;  
New report formats designed to make it easier to assess overall progress in each Well-being objective.

During the year, core financial and administrative systems were reviewed by Internal Audit either through specific reviews (e.g. Creditors, cash control, payroll) or generally in the reviews undertaken in respect of directorate systems.

**Review of Effectiveness**

The Council's External Auditors have advised that their work for the 2020/21 Financial Year is well on track and that they have completed the majority of their planning work and interim testing. This includes:

- High level assurance work upon the financial systems and the wider control environment – this work is designed to detect any material risk to the accounts;
- Testing of the income and expenditure transactions made by the Council during 2020/21.

Whilst their work is continuing, to-date, there are no significant issues arising from their work.

In addition, the Council's Senior Managers, together with Head Teachers/ Chairs of Governors completed Risk / Impact questionnaires which aimed to provide assurance that internal controls were still effective despite changes made to working practices due to the pandemic. All their responses have been considered when forming the Head of Audit's annual opinion.

**Code of Corporate Governance (COCG)**

The Council's COCG has been reviewed, amended and approved to reflect the 2016 Governance Framework.

**Statement of Accounts 2019/20**

In May 2021 the Council's External Auditor (WAO) provided the Council with an unqualified opinion on the Council's accounts within their Annual Audit and Inspection Letter.

**Internal Audit Opinion**

Based on the assurance, work undertaken by Internal Audit, the Head of Audit has provided an overall **reasonable assurance opinion** on the adequacy and effectiveness of the Council's control environment.

**Review of Effectiveness**

Of the 30 opinions given by Internal Audit during 2020/21:

- 26 (87%) have been closed with either substantial or reasonable assurance opinion levels.
- 4 (13%) of the assignments were given an opinion of limited assurance due to weaknesses in the internal control environment .

The areas where control issues were identified during the year have tended to relate to specific service areas rather than an across the board breakdown in controls. The relevant managers have agreed with and are implementing the recommendations made to address the weaknesses identified. Internal Audit will follow up on these issues during 2021-22 to ensure that progress is being made.

Covid-19 also changed how audit work was carried out in 2020/21 and all staff have worked from home for the year. Audits have taken longer in some instances due to responses to draft reports being delayed where services have been under pressure.

As well as financial work, Audit Wales also completed performance audits on various services of the Council. These provide useful and timely feedback to the Council through which an action plan is agreed with Audit Wales for any matters to be addressed.

The Head of Audit's annual opinion report will be presented to the Council's next planned Governance & Audit Committee.

The Head of Audit provided an overall opinion of “**Reasonable Assurance**” on the Council's **internal control environment** based on the work undertaken during the year by Internal Audit.

In addition, by considering other sources of assurance e.g. the remote working risk assessment questionnaires, the Head of Audit provided an opinion of “**Reasonable Assurance**” on the adequacy and effectiveness of the Council's framework of **governance, risk management and control**.

**Significant  
Governance  
Issues**

The impact of the COVID 19 pandemic is detailed earlier in this document and the Council has worked hard to ensure that services to the most vulnerable people in our neighbourhoods has continued. Where required, our systems have been reviewed to ensure that decisions can be made in a timely manner whilst still being subject to appropriate scrutiny. Where possible, staff have continued to work from home, and this continues. Work undertaken by internal audit has concluded that the effectiveness of the internal control environment was reasonable during this period.

One of the main issues raised and highlighted over the last few years has been the ability of the Council to carry on meeting its service objectives and delivering positive outcomes for its customers and clients in the light of continued reductions in Welsh Government Funding. In the past year, external funding to support additional financial pressures resulting from Covid have been claimed where possible from Welsh Government via the Hardship Fund. This will continue for as long as the funding is available in 2021/22.

Assumptions for future years' budgets will continue to be reviewed and amended to reflect the changing circumstances.

**Approval of the  
Annual  
Governance  
Statement  
2020-21**

Good governance is about running things properly. It is the means by which the Council shows it is taking decisions for the good of the people of the area, in a fair, equitable and open way. It also requires standards of behaviour that support good decision making – collective and individual integrity, openness and honesty. It is the foundation for the delivery of good quality services that meet local people’s needs. It is fundamental to showing public money is well spent. Without good governance councils will struggle to improve services.

From the review, assessment and on-going monitoring work undertaken we have reached the opinion that reasonable assurance can be given that the governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

We can confirm to the best of our knowledge and belief, this statement provides an accurate and fair view.

D.R. Thomas

*Managing Director*

Date:

N. Moore

*Leader of the Council*

Date: