

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

DRAFT ANNUAL GOVERNANCE STATEMENT 2020/21

**1. INTRODUCTION**

- 1.1 The Council's [Corporate Plan 2020 - 2024](#) 'Making a Difference' sets the overall direction for the Authority over a period of 4 years describing the vision, purpose and priorities to be delivered.
- 1.2 The Council's agreed vision, purpose and priorities are:
- Vision – ***To be the best place in Wales to live, work and play, where people and businesses are independent, healthy and prosperous.***
  - Purpose - ***To provide strong community leadership and create the environment for people and businesses to be independent, healthy and prosperous.***
  - Priorities:
    - Ensuring ***People:*** are independent, healthy and successful:
    - Creating ***Places:*** where people are proud to live, work and play: and
    - Enabling ***Prosperity:*** creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper.
- 1.3 Underpinning the above priorities are the cross-cutting themes of '***Live within our means***' and '***Efficient and effective Council***' – both of which focus on robust financial planning and management arrangements to ensure the Council maintains its financial stability, is financially resilient and makes the best use of scarce resources.
- 1.4 This Annual Governance Statement sets out for the community, service users, tax payers and other stakeholders the Council's governance arrangements together with a review of their effectiveness in managing risks of failure in delivering Corporate Plan priorities.

**2. SCOPE OF RESPONSIBILITY**

- 2.1 Rhondda Cynon Taf County Borough Council (RCT) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- 2.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating

the effective exercise of its functions, which includes the arrangements for the management of risk.

- 2.3 The Council, in compiling the Annual Governance Statement, has adopted the *Delivering Good Governance in Local Government: Framework (2016)* developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (Solace). In doing so, the Annual Governance Statement meets the Council's legal duty as set out in the Accounts and Audit (Wales) Regulations 2014, as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018.
- 2.4 Regard has also been given to the CIPFA Bulletin 06 – 'Application of the Good Governance Framework 2020/21' in respect of conducting the review of the Council's governance arrangements for the 2020/21 financial year. This provides guidance on the impact of the continuing Covid-19 pandemic on governance in local government bodies (see paragraphs 5.4.5 and 5.4.6) and also the CIPFA Financial Management Code 2019 (see paragraphs 5.11.23 to 5.11.27 and Section 7), both of which should form part of local authorities' review of governance arrangements for the period April 2020 to March 2021.
- 2.5 The Council's Annual Governance Statement aims to provide an accurate representation of the governance arrangements in place for financial year ending 31<sup>st</sup> March 2021.

### **3. THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

- 3.1 The governance framework comprises the systems, processes and cultural values by which the Council is directed and controlled, and the activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 3.2 For RCT governance is about ensuring that the Council does the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- 3.3 The system of internal control is a significant part of that framework and is designed to manage the risk to a reasonable level. It cannot eliminate all risk of failure to achieve aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 3.4 The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's priorities, to evaluate the likelihood and impact of those risks materialising, and to manage them efficiently, effectively and economically.

- 3.5 The governance framework outlined below has been in place at Rhondda Cynon Taf County Borough Council for the year ended 31<sup>st</sup> March 2021 (and up to the date of approval of the 2020/21 Statement of Accounts).

#### 4. **THE GOVERNANCE FRAMEWORK**

- 4.1 The Council has a range of governance arrangements in place, in line with the *Delivering Good Governance in Local Government: Framework (2016)*, many of which are set out within its [Constitution](#). Appendix A provides examples of the key systems, processes and documents that were in place within the Council during 2020/21.

- 4.2 The *Delivering Good Governance in Local Government: Framework (2016)* supports the principle for local authorities to develop and maintain an up-to-date local code of governance. The Council has developed a Local Code of Corporate Governance, setting out an overview of the Council's governance framework, and was reported to the Council's Audit Committee on [29<sup>th</sup> April 2019](#).

#### 5. **REVIEW OF EFFECTIVENESS**

- 5.1 The Council has responsibility for conducting, at least annually, an assessment of its governance framework including the system of internal control.

- 5.2 The exercise has entailed reviewing the activities in place around the Council's main governance arrangements, discussing governance arrangements 'virtually' with senior officers across services and taking account of the findings from a range of existing reports. The Review of Effectiveness has also given key regard to the on-going impact of Storm Dennis and the start of the coronavirus pandemic, and is set out at sub-section 5.4.

- 5.3 The findings and proposals for improvement have been reviewed and challenged by the Council's Senior Leadership Team (SLT) and Audit Committee, and have been set out in line with the *Delivering Good Governance in Local Government: Framework (2016)*.

#### 5.4 **STORM DENNIS AND COVID-19**

- 5.4.1 The Council's [2019/20 Annual Governance Statement](#) set out the specific governance and decision-making arrangements put in place by the Council up to and including June 2020, in response to Storm Dennis and Covid-19. Sections 5.4.2 to 5.4.6 review the arrangements from this point.

## **Storm Dennis**

5.4.2 As part of the Council's on-going work with communities affected by this unprecedented event, a range of support continued during 2020/21, for example, Community Flood Recovery Grants for eligible residents and businesses, with actions taken being in line with published delegated decisions made in February and March 2020. These were as follows:

- 17<sup>th</sup> February 2020 and 21<sup>st</sup> February 2020 – [Storm Dennis - Allocation of Resources from General Fund Balances](#) and [Further Allocation of Resources from General Fund Balances](#) respectively.
- 18<sup>th</sup> February 2020 - [Storm Dennis - Financial Support for Residents and Businesses](#).
- 25<sup>th</sup> February 2020 - [Storm Dennis - Grant Funding Support for Property Renovation and Free School Meals](#).
- 4<sup>th</sup> March 2020 - [Storm Dennis - Support to Businesses - Non-Domestic Rate Relief](#).

5.4.3 In parallel, the Council progressed emergency response works and reclaimed eligible expenditure via the Welsh Government funded Emergency Financial Assistance Scheme amounting to £1.697M (relating to 2019/20 and 2020/21) and, in addition, accessed further Welsh Government funding during 2020/21 as part of an on-going programme of infrastructure repair. The extent of damage to the Council's infrastructure necessitates a long-term programme of work and, as part of this, discussions are on-going with Welsh Government in terms of future funding arrangements.

5.4.4 On the 18<sup>th</sup> December 2020, the Council's Cabinet received a report setting out a [Review of the Council's Response to Storm Dennis](#) together with recommendations for improvement and arrangements for progress updates on the implementation of recommendations to be included within the Council's quarterly Performance Report to Cabinet and thereafter to be scrutinised by the Overview and Scrutiny Committee. These arrangements will ensure the continuation of an open approach in reporting updates on the work being progressed by the Council to enhance its response to extreme weather events.

## **Covid-19**

5.4.5 The Covid-19 pandemic has been the central feature in planning and delivery arrangements throughout 2020/21, with services quickly adapting and implementing changes to ensure the continued provision of essential frontline services.

5.4.6 Following the UK being put into lockdown on the 23<sup>rd</sup> March 2020, easing of restrictions in June and July, a two week 'firebreak' from 23<sup>rd</sup> October until 9<sup>th</sup>

November followed by a further lockdown from 19<sup>th</sup> December, the Council has operated and taken decisions in accordance with its Constitution. Key work and steps taken by the Council during this period were:

#### Decision Making and Democratic Engagement

- Further to the temporary suspension of all formal meetings of the Council when the country moved into lockdown in March 2020, the Council put in place arrangements, in line with The Local Authorities (Coronavirus) (Meetings) (Wales) Regulations 2020, to enable the phased reintroduction of fully remote meetings to take place. This included Cabinet meetings from May 2020, Scrutiny Committee meetings from June 2020 (on a phased basis and starting with the Overview and Scrutiny Committee) and full Council and Audit Committee meetings from July 2020.
- Council, Cabinet and Scrutiny Work Programmes were agreed and published, providing both transparency on the work to be undertaken and enabling Committees to plan their work.
- Covid-19 position statements were reported regularly to full Council ensuring that all elected Members were provided with on-going and timely updates.

#### Service Planning and Corporate Plan priorities

- All services produced Service Recovery Plans that set out key priorities and actions to manage and support recovery from the Pandemic, these being reported to Cabinet on [28th July 2020](#).
- Full Council agreed Corporate Plan action plans at the [21st October 2020](#) meeting for its priorities of People, Places and Prosperity, these being informed by Service Recovery Plans to ensure focus was afforded to recovery work from the pandemic. During the year, Corporate Plan progress updates were reported to Cabinet and scrutinised by the Finance and Performance Scrutiny Committee on a quarterly basis, enabling elected Members to scrutinise the extent of progress and hold services to account.

#### Financial support to businesses and individuals

- Part of the Welsh Government's response to the impact of the pandemic has been the provision of additional financial support to the economy via a series of Business Grants and extended business rate relief. The packages of financial support have been administered by all local authorities in Wales on behalf of Welsh Government and, for RCT, this has required staff to focus on administering, managing and paying a large volume of grants in short timescales to ensure financial support reached eligible businesses on a timely basis. The range of grant support has included Business and Charity Grants Phase 1, NDR Lockdown / Firebreak Grant and Business Restrictions Fund.

- In total over £72Million has been paid out to a wide range of businesses during 2020/21, with each grant having different criteria to target those businesses in most need and also different award processes and amounts payable. To ensure public money is safeguarded, this required a coordinated effort across the Council and the application of robust internal control arrangements.
- A range of other individual grant payments were also administered by the Council on behalf of Welsh Government including Social Care Workforce Payments of £500, Self-Isolation Payments for those on low incomes, Statutory Sick Pay top-ups for social care workers and Free school meal support to families with eligible learners.
- Each area of financial support administered by the Council has required consideration of process, including enabling submission of on-line applications, cashflow management and accounting requirements. In parallel, a number of Internal Audit assignments undertaken during 2020/21 were focussed on financial transactions relating to Covid-19 and provided Management with assurance on the robustness of processes and internal controls in place (see also paragraphs 5.12.5 to 5.12.8 - Internal Audit).

#### 2020/21 Financial Position and Medium-Term Financial Planning

- **2020/21 Financial Position - Revenue Budget**
  - Underpinning the priority focus on maintaining essential frontline services was robust financial management arrangements, with close working between Service Managers and Senior Finance Officers to control, forecast and report overall revenue budget expenditure levels through to March 2021. These arrangements also effectively managed the additional expenditure and income losses incurred across the Council's Revenue Budget as a direct result of Covid-19, forecasted to be in excess of £50M for 2020/21, and have been reclaimed on a monthly basis via the Welsh Government's Covid Hardship Fund claims process. Appropriate use was also made of the Coronavirus Job Retention Scheme in order to mitigate losses. Where additional expenditure and additional income losses have materialised that are not deemed eligible to reclaim via the Hardship Fund, these have been included within the in-year reported financial position of relevant services.
  - The year-end Revenue Budget outturn position for the Council was a £0.204Million overspend against a net budget of £508.747Million.
- **2020/21 Financial Position - Capital Programme**
  - The immediate impact of the pandemic resulted in temporary delays to a number of capital schemes as a result of the need to agree and implement revised and safe working arrangements with contractors and

suppliers. This partnership approach enabled most capital projects to recommence from quarters 1 and 2 of the year, with capital programme investment for 2020/21 amounting to £102Million.

- The Council also recognised its key role in supporting businesses and the local economy through the continued safe delivery of key infrastructure and construction projects and reported an update to Cabinet on [25th June 2020](#). During the year, detailed progress updates on the Council's Capital Programme projects were reported as part of the Council's quarterly Performance Reports.

- **Medium-Term Financial Planning**

- The Council's latest [Medium-Term Financial Plan](#) was reported to Cabinet, Council and the Finance and Performance Scrutiny Committee during autumn 2020. The Plan is based on, amongst other things, the assumption that additional expenditure and income losses as a direct result of Covid-19 will continue to be funded by Welsh Government.
- The Council is in the process of updating its Medium-Term Financial Plan for reporting in 2021; whilst the medium to longer term consequences of the pandemic are not fully known, the update process will refresh assumptions around key areas such as Welsh Government settlement levels, service cost pressures and demand, council tax collection and income, as well as the on-going priority focus required for businesses, town centres, those most in need and recognising the on-going work with partners to protect public health as recovery from the pandemic continues.
- The Council has for a number of years delivered ambitious efficiency saving targets without adversely impacting frontline service provision. The Council's current Medium-Term Financial Plan sets out, at a high level, the framework to balancing the budget over the medium term and the requirement to 'lock in' the transformation and service delivery changes which have been made across service areas during the pandemic.

## 5.5 **PROGRESS MADE TO IMPLEMENT PROPOSALS FOR IMPROVEMENT REPORTED IN THE 2019/20 ANNUAL GOVERNANCE STATEMENT**

- 5.5.1 The 2019/20 Annual Governance Statement identified 4 proposals for improvement. An update on progress was reported to the Council's Audit Committee on [1st February 2021](#) indicating that the proposals for improvement were either complete or were on-target to be completed in line with the agreed delivery dates. The Audit Committee **RESOLVED**: *'To acknowledge the information provided'*.

5.5.2 A year-end position statement of progress is set out in Appendix B. In summary, out of the 4 proposals for improvement, all have been implemented.

## 5.6 BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES AND RESPECTING THE RULE OF LAW

### Behaving with integrity

#### Elected Members<sup>1</sup>

5.6.1 The Council's Scrutiny Committee meeting minutes were examined to determine whether the virtual / remote proceedings were conducted in line with the Council's Code of Conduct. This identified that all Minutes showed that declarations of interest were sought and declarations were made by elected Councillors, where appropriate.

#### The Standards Committee

5.6.2 A Standards Committee was in place during the year to promote, maintain and oversee high standards of conduct by elected Members, with the Terms of Reference for the Standards Committee included within the Council's Constitution.

5.6.3 During 2020/21 the Standards Committee had a work-plan in place and met on 2 occasions. A draft Annual Report for 2020/21 was presented to the Standards Committee on [19th March 2021](#).

#### Council employees

5.6.4 All officers who started employment within the Council were provided with a local induction in line with social distancing requirements and Individual Performance Review discussions continued 'virtually' with officers. The overall arrangements were managed by the Council's Human Resources Service.

#### Arrangements in place to tackle potential misappropriation

5.6.5 In the event that an officer decides to operate outside of the intended terms and conditions of employment, arrangements were in place for officers to "blow the whistle" through the Council's [Whistleblowing Policy & Procedure](#). In addition, there were arrangements in place to tackle potential [fraud, bribery and corruption](#).

5.6.6 The Audit Committee has overall responsibility for overseeing the governance arrangements in place in respect of whistleblowing and tackling potential fraud, bribery and corruption. Updates received by Audit Committee during the year in respect of these arrangements were:

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<sup>1</sup> Elected Members – also referred to as elected Councillors



- **Anti-Fraud, Bribery & Corruption**

- An update was reported to Audit Committee on 2<sup>nd</sup> November 2020, setting out the progress made to date against the Anti-Fraud, Bribery & Corruption work programme for 2020/21. The report concluded that ongoing progress is being made against the Council's Anti-Fraud, Bribery and Corruption work programme to ensure that the Council continues to operate within an effective anti-fraud culture across the organisation, with resilient preventive measures capable of identifying and addressing new threats. Audit Committee **RESOLVED** - To review the work undertaken in 2020/21 and provide direction and guidance where necessary within the Terms of Reference of the Committee.
- It is noted that the 2020/21 Annual Report for Anti-Fraud, Bribery & Corruption is due to be presented to Audit Committee in July 2021.

- **Whistle-Blowing**

- At the 20<sup>th</sup> July 2020 Audit Committee meeting, Members agreed for a review of the Whistle-Blowing Policy to be undertaken and the outcome reported to Audit Committee during 2020/21. The review was completed and was presented to Audit Committee for consideration and approval on [26th April 2021](#).
- The Whistle-Blowing Annual Report for 2020/21 was also reported to the same meeting. The conclusion of the Director of Human Resources, as set out in the 2020/21 Annual Report, is that '*the Council's Whistle-Blowing arrangements are appropriate*'. It is also noted that the revised Policy and Procedure will be published on the Council's website, awareness raising undertaken across Council Services and its content will be kept under on-going review and where further updates are proposed, these will be reported to Audit Committee for consideration/approval.

5.6.7 Gifts and Hospitality Policy - the Council has a Gifts and Hospitality Policy and arrangements were in place, via registers, to record gifts and hospitality in line with the Policy.

Comments, Compliments and Complaints – Social Services

5.6.8 A report was presented to Cabinet at its meeting held on [17th November 2020](#) setting out an overview of the Council's statutory Social Services complaints procedure for the period April 2019 to March 2020. The report provided a summary of all complaints and compliments received, and concluded by identifying lessons to be learnt and changes to relevant procedures / protocols.

- 5.6.9 The Report noted that a total of 113 complaints were received across both Adult and Children's Services during the year which was slightly higher than the previous year, with the increase in the main being complaints relating to Children's Services. While Children's Services received more complaints than the previous year, it also received more compliments; however, overall the report set out that for both Adult and Children's Services fewer compliments were recorded than in the previous year.

#### Comments, Compliments and Complaints - Non-social services

- 5.6.10 An Annual Report covering 2019/20 was presented to the Overview and Scrutiny Committee on [18th January 2021](#) that set out areas for improvement and also for progress reports regarding the Council's corporate Customer Feedback Scheme to be presented to the Committee on a bi-annual basis to provide further visibility on this area and enable monitoring of areas for improvement. It is noted that from 2021/22 onwards, reports will be considered by the Audit and Governance Audit Committee in line with its new responsibilities under the Local Government and Elections (Wales) Act 2021.

#### **Demonstrating a strong commitment to ethical values**

##### Elected Members

- 5.6.11 Further to the Local Government Elections in May 2017, all elected Members received induction training on the Member's Code of Conduct that supports the principle of ethical values. Code of Conduct training is mandatory and is continually available to all Elected Members. Training is provided to all newly elected Members on a one-to-one basis following bi-elections and Members are reminded through their Personal Development Reviews that they are able to contact the Council's Monitoring Officer directly with any queries relating to the Code of Conduct.

##### The Council's supply chains

- 5.6.12 The Council plays a significant role in the utilisation of national framework contracts as well as local contractual arrangements, and is responsible for ensuring that its business is conducted in accordance with the law, applies high ethical values, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council's Contract Procedure Rules provides the framework to achieve this and the 'Procurement Policy – Social Responsibility' aligns with the three key initiatives issued by Welsh Government, namely Community Benefits; Code of Practice Ethical Employment in Supply Chains; and Opening Doors: the Charter for SME Friendly Procurement.
- 5.6.13 The Council applied the guidance and advice set out in UK Government Cabinet Office Procurement Policy Notices issued during the year (for example, 02/20: Supplier relief due to Covid-19') to support suppliers and in doing so, suppliers were required to operate on an 'open book' basis.

## **Respecting the rule of law**

5.6.14 The Chief Executive (as Head of Paid Service) led the Council's officers and chaired the Senior Leadership Team (that also comprised the statutory roles of Chief Finance Officer and Monitoring Officer together with other key positions).

5.6.15 With specific regard to the Chief Finance Officer position within the Council during 2020/21, the role complied with the principles outlined in the CIPFA document '*The Role of Chief Finance Officer*' because the Chief Finance Officer:

- *Was a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest;*
- *Was actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy; and*
- *Led the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.*

*To deliver these responsibilities the Chief Financial Officer:*

- *Led and directed a finance function that was resourced to be fit for purpose; and*
- *Is professionally qualified and suitably experienced.*

## **5.7 ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT**

### **Openness**

#### A commitment to openness

#### *General Data Protection Regulation*

5.7.1 The General Data Protection Regulation (GDPR) came into force on the 25<sup>th</sup> May 2018. During 2020/21 the Council demonstrated accountability and transparency when handling and processing personal and sensitive information that it holds in respect of individuals by:

- Having in place a Data Protection Policy, Data Protection web-page and a designated Data Protection Officer;
- Formally recording the lawful basis upon which data / information is processed within suites of documents called Data Protection Registers; and

- Having in place 'Privacy Notices' that are available on the Council's website setting out how it intends to use information and how it will deliver its services and statutory responsibilities.

5.7.2 It is considered that the publication of this information supports the Council in complying with the GDPR and demonstrates openness and transparency when dealing with its customers.

#### *Freedom of Information*

5.7.3 The Council operated a Freedom of Information (FOI) Act 2000 publication scheme in accordance with legislative requirements. During 2020/21 the Council received 870 FOI/Environmental Information Regulations (EIR) requests. Response statistics and any complaints investigated by the Information Commissioner's Office (ICO) concerning FOI/EIR requests are reported through the Information Management Board's quarterly meeting highlight reports and allows the Board to maintain an overview of the Council's compliance with the relevant legislation.

5.7.4 During 2020/21 the Council received 8 complaints which had been referred to it by the ICO:

- 2 of the complaints related to requests not being responded to within the statutory 20 working day period. Both requests were subsequently responded to.
- 1 complaint related to a request where the requester believed not all information was being disclosed as part of a response but following the Council's explanation of how information is recorded the case was closed.
- 2 of the complaints were investigated and both requests were subsequently responded to.
- 3 of the complaints are being investigated and cases are still ongoing.

5.7.5 The Council's website provided information on the [Freedom of Information Act 2000](#) and a [Publication Scheme](#) was in place to advise citizens how to request public information the Council holds.

#### Openness – Forward work programmes

5.7.6 The Council had in place a forward plan of Committee meetings together with the matters to be considered, where appropriate:

- In accordance with the Council Constitution, the Calendar of Committee meetings was presented to the Council Annual General Meeting in September 2020, which provided details of the schedule of Committee meetings for the 2020-2021 Municipal Year. The calendar was also published on the [Council website](#);
- Cabinet published its work programme on [24th September 2020](#) for the 2020/21 Municipal Year with updates provided on a 3 monthly basis (i.e. to

the Cabinet meetings on 18<sup>th</sup> December 2020 and 25<sup>th</sup> March 2021). The Cabinet Work programme was also published on the [Council website](#); and

- Scrutiny work programmes were considered and agreed by respective Scrutiny Committees on a periodic basis throughout the Municipal Year to allow for an element of flexibility and taking into account any additional consultative documents or legislative matters requiring attention. The agreed work programmes were available on a stand-alone [Scrutiny Work Programme](#) page on the Council's website, in line with a proposal for improvement previously made by the Wales Audit Office (now Audit Wales).

5.7.7 Committee Work Programmes are an important tool for Members to assist them in viewing items that are coming forward to Committees and for other Committees to utilise to prevent duplication of work and assist with pre-scrutiny. Work Programmes also assist members of the public to engage in the democratic process of the Council. It is noted that work programmes are placing more emphasis on key service or policy matters, based upon a revised criteria which includes alignment to the Council's priorities and those matters of interest to the public, and they allow for more in depth reviews and referrals from other Committees including Council and Audit Committee. As part of the Local Government & Elections (Wales) Act 2021 a duty is now placed on Local Authorities to ensure scrutiny committees are given sufficient notice of important decisions before they are made, so they may scrutinise the executive more effectively. The continuation of a robust Cabinet Work Programme will therefore be essential in accommodating this duty placed on the Authority.

#### Decision making and scrutiny of decisions made

5.7.8 Cabinet is a key decision-making body within the Council. From a review of reports presented to virtual Cabinet meetings during 2020/21:

- All reports were in the required format;
- A total of 88 reports were presented, 80 of which were made publicly available and 8 were excluded from the press / public on the grounds that the items of business involved the likely disclosure of exempt information, for example, commercially sensitive information;
- 2 updates were presented verbally by officers due to the uniqueness of the year;
- For all decisions made by the Cabinet, 'Decision Notices' were published on the Council's website and did not become effective (i.e. implementable) until the expiry of the required 'call-in' period (unless deemed to be urgent decisions and therefore not subject to call in); and
- During 2020/21 the Council received one Call In of a Key Officer Delegated Decision: **SALE OF PART OF THE FORMER LADY WINDSOR COLLIERY SITE, YNYSYBWL:**

- The Call-In was considered at a special Overview & Scrutiny Committee held on the [12<sup>th</sup> August 2020](#). In addition to the three signatories to the call-in and members of the Overview & Scrutiny Committee, the Vice-Chair of Ynysybwl Community Council made representations at the meeting and a written representation was submitted by the Chair of the Regeneration Partnership; and
- Following consideration of the issues set out within the call-in form and in accordance with the Overview & Scrutiny procedure rules, it was determined that the matter be referred back to the decision maker, the Director of Corporate Estates, for further consideration based on the grounds of the call-in.

5.7.9 Record of Urgent Decisions of the Leader, Cabinet Members and Delegated Officer Decisions were published on the Council's website. For the 2020/21 financial year, 51 decisions were published and in line with the Council's Constitution, these were reported to full Council for information purposes. Due to the temporary postponement of Council meetings at the start of the Covid-19 pandemic, Council decisions were taken forward via Delegated decisions until the Local Authorities (Coronavirus)(Meetings)(Wales) Regulations 2020 permitted the commencement of Committee meetings; this therefore necessitated a higher number of delegated decisions compared to the same period in previous years.

### **Engagement with residents / stakeholders**

- 5.7.10 The Council regularly engages with residents and stakeholders and a consultation exercise was undertaken in respect of the 'Corporate Plan 2020 – 2024 'Making a Difference' – this Plan was agreed by Council on 4<sup>th</sup> March 2020 and sets out the Council's priorities for the next 4 years.
- 5.7.11 Engagement arrangements are supported through a dedicated [Consultation page](#) on the Council's website and a wider commitment by the Council to engagement via the [Public Services Board](#).
- 5.7.12 The Council has an on-going programme of engagement with residents and communities, to find out what matters to them. During the year this engagement has continued using Zoom to hold public meetings and the development of a telephone call back option so as not to exclude those who are not or do not wish to engage online. Throughout the pandemic there was a greater need to communicate clear advice and keep residents informed about Covid-19 in RCT, this being delivered through a dedicated web page and also through social media channels to make information available to residents, businesses and other stakeholders in communities.
- 5.7.13 The Council has developed more ways for residents to get involved and ensure that consultations are accessible, through Let's Talk RCT. The first two

projects, Let's Talk Climate Change and Let's Talk Electric Charging Vehicles, were pilots for the site and will help shape future Let's Talk projects.

- 5.7.14 Putting in place online and virtual ways for people to provide views and opinions will continue to develop, albeit, the Council recognises that this does not replace the valuable local information captured through face-to-face engagement with residents. It is noted that these conversations with individuals and representative groups will resume as soon as it is safe to do so to obtain the views and opinions on decisions that will affect them.

## 5.8 **DEFINING OUTCOMES IN TERMS OF SUSTAINABLE ECONOMIC, SOCIAL, AND ENVIRONMENTAL BENEFITS**

- 5.8.1 For the 2020/21 reporting year, to address the unprecedented circumstances in which the Council was working, the Council's performance management arrangements were amended to focus on recovery from the pandemic whilst retaining the ambitions set out in the [Corporate Plan 2020-24 'Making a Difference'](#).
- 5.8.2 The Council undertook a backward-looking assessment of Corporate Plan performance (2019/20) and compiled priority action plans for its 3 Corporate Plan priorities (People, Places and Prosperity) covering the 2020/21 financial year. This information was set out in a 'Corporate Performance Report 2020' that was endorsed by Cabinet on [13 October 2020](#) and reported to and approved by Council [21 October 2020](#); in doing so, the Council met its statutory reporting requirements in this regard.
- 5.8.3 During 2020/21, in line with the Council's Constitution, progress in the delivery of the Priority Plans was reported every quarter as part of Performance Reporting arrangements i.e. presented to Cabinet for review/approval, followed by Finance and Performance Scrutiny Committee for further review/scrutiny. These reports were available to residents and stakeholders through the Council's [website](#).
- 5.8.4 To meet the current statutory reporting requirements in line with the Local Government (Wales) Measure 2009 and the Well-being of Future Generations Act 2015, the Council intends to publish an assessment of its performance for the 2020/21 financial year no later than the statutory reporting deadline of 31<sup>st</sup> October and also publish 2021/22 action plans for its Corporate Plan Priorities of People, Places and Prosperity.

### Medium Term Financial Plan

- 5.8.5 The Council's latest Medium-Term Financial Plan (2020/21 to 2023/24) was reported to and agreed by Cabinet on [13th October 2020](#) and subsequently reported to full Council on the 21<sup>st</sup> October 2020 and the Finance and Performance Scrutiny Committee on 16<sup>th</sup> November 2020.

5.8.6 The Medium-Term Financial Plan is set in the context of the Covid-19 pandemic, recognising that the course of the pandemic and its effect on the Council's finances will be subject to change. Key information around the allocation of resources includes:

- 2020/21 Revenue Budget (£508.747M) - 85% of the revenue budget was allocated to Corporate Plan priorities and the remaining 15% allocated to Authority Wide Costs, Other Services To The Public, Regulatory Public Services and Core Support; and
- 2020/21 to 2023/24 Capital Programme (£131.772M) – 98% of capital resources allocated to Corporate Plan priorities. The remaining 2% was allocated to Regulatory Public Services, Authority Wide Costs and Core ICT Systems Support.

#### Additional Investment

5.8.7 As part of the Council setting its Capital Programme for the period 2021/22 to 2023/24 (reported to full Council on [10th March 2021](#)), an assessment of existing earmarked reserves enabled £5.484M to be released for additional investment in Corporate Plan priority areas (alongside the reallocation of £1.137M of core capital funding and additional Welsh Government funding of £2.779M, amounting to a total investment of £9.4M).

5.8.8 Based on the Council's Medium-Term Financial Planning arrangements and processes for identifying funding to support additional investment, there is clarity on the Council's ambitions and medium term outlook; a demonstrable commitment to prioritise resources to Corporate Plan areas; and opportunities available for elected Members and stakeholders to scrutinise the Council's work in these areas.

### 5.9 **DETERMINING THE INTERVENTIONS NECESSARY TO OPTIMISE THE ACHIEVEMENT OF THE INTENDED OUTCOMES**

#### **Determining and planning interventions**

5.9.1 The Council's decision-making arrangements during 2020/21 were based on written reports in an agreed format, having regard to financial, legal and consultation matters, and alignment with the Well-Being of Future Generations Act (this includes, for example, Council and Cabinet reports). It is noted that an update was reported to Cabinet on [25th March 2021](#) setting out the Socio Economic Duty (Equality Act 2010) requirements coming into force on 31<sup>st</sup> March 2021 and the need to ensure that the duty is incorporated into Council decisions to reduce the inequalities of outcomes from social economic disadvantage.

5.9.2 Of the approaches or interventions used by the Council during the year, overall, these are making a positive contribution to the delivery of outcomes in



line with Corporate Plan priorities. Examples of key interventions are set out below.

### Cabinet and the Senior Leadership Team

5.9.3 The Cabinet and SLT jointly planned the work programme of items to be reported during the year and required timescales, with this information informing the pace of progress and outcomes being delivered. This has included:

- PEOPLE – Are independent, healthy and successful.

Meeting the needs of residents requiring support via the extra care housing scheme in Porth; supporting the roll out of asymptomatic lateral flow testing to frontline care staff and the Covid-19 vaccination programme; and reinstating Community Resilience Centres following the introduction of local and national restrictions to support communities.

- PLACES – Where people are proud to live, work and play.

Continuation of the Highways Improvement Programme, managing the safe delivery of the home to school transport provision within Welsh Government and Public Health Wales guidelines, planting 300 trees in various parks and open spaces and continued improvement works across Council parks and play areas.

- PROSPERITY – Creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper.

New Council grant offers for businesses in light of Covid-19 and flood prevention, for example, the refocussed Enterprise Investment Fund has supported businesses with grant awards totalling £165k and 4 business in Pontypridd town centre have benefited from Flood Resilience Grants. Key town centre schemes are under development which will help improve pedestrian access and social distancing, and longer-term developments to promote RCT as a tourism destination when restrictions allow, including a review of the accommodation sector. Construction of new attractions at Zip World and Dare Valley County Park are ongoing and a significant National Lottery fund grant awarded in December 2020 will allow further improvements at Ynysangharad War Memorial Park.

### Scrutiny Committees

5.9.4 Due to the Covid-19 pandemic, scrutiny committees were temporarily suspended to enable the Council to focus its efforts on protecting residents and continue the delivery of key frontline services. An incremental approach for the re-commencement of the Council's scrutiny function was applied, with the Overview and Scrutiny initially taking forward the scrutiny role on behalf of all Committees. This was to ensure that scrutiny were still playing its vital role

in the decision making process and governance arrangements of the Council, and also ensure the Council could retain its focus on managing service delivery during the pandemic. Members supported this way of working for the Overview & Scrutiny Committee, as the Council's overarching Scrutiny Committee, to take a council-wide approach and all Members were invited to engage in these key matters as well as to undertake urgent business that ordinarily would have been under review by the four themed scrutiny committees. This arrangement was recognised by both the Council's Senior Leadership Team and the Cabinet.

- 5.9.5 Beyond the Annual General Meeting (which was postponed until September 2020 due to the pandemic) all four thematic Scrutiny Committees resumed their activity, via agreed work programmes, that also allowed space for the identification of emerging issues. The Scrutiny Committees have all undertaken focussed work, alongside traditional scrutiny reports, during an unprecedented period.
- 5.9.6 Scrutiny committees also received regular individual service responses to Covid-19, particularly in respect of the Children & Young People Scrutiny Committee, with five updates from the Director of Education & Inclusion (from an educational perspective) and Director of Children's Services outlining the support in place for vulnerable children and families across Rhondda Cynon Taf.
- 5.9.7 During the 2020/21 Municipal Year, pre-scrutiny of 6 key decisions of the Cabinet have been undertaken in areas such as the Modernisation of Residential Care for Older People, the Council's Annual Equalities Report 2020/21 and pre-scrutiny of the proposed extension and variation to RCT's Dog Control (Public Spaces Protection Order). This ensured that the Council's scrutiny function has continued to impact / inform Cabinet decisions before they are made.
- 5.9.8 In addition to scrutiny work programme items, referrals have been made to scrutiny committees i.e. from Full Council through a Notice of Motion regarding Kinship Care and from the Governance & Audit Committee in respect of unauthorised absence at statutory school ages and Post 16 attendance levels. Following review of both issues, the respective scrutiny committees will form its view and provide feedback.
- 5.9.9 Whilst working under virtual arrangements, scrutiny has undertaken a total of 41 meetings and covered a broad range of work throughout the year and considered important and strategic issues with a number of outcomes and recommendations as evidenced in the [Overview & Scrutiny Annual Report 2020/21](#).

## Performance Reports

- 5.9.10 Performance Reports provided Executive Summary style quarterly updates on financial performance (Revenue Budget, Capital Programme and Treasury Management); progress against Corporate Plan priorities (including investment priorities); staffing information for sickness absence and turnover; and strategic risks, and provided electronic links to more detailed information. During the year additional information was also included within quarterly Performance Reports in respect of Covid-19 and its impacts from a financial, performance and strategic risk perspective.
- 5.9.11 With specific regard to financial performance, Corporate Plan priority and strategic risk updates, exceptions were highlighted, explained and the corrective action to be taken included within reports. There was evidence of scrutiny challenge around financial and performance results to understand exceptions and seek assurance that corrective actions are planned / being taken.

### **Optimising achievement of intended outcomes**

- 5.9.12 On [28th September 2017](#) Cabinet agreed a way forward to deliver Corporate Plan priorities in a climate of funding reductions by investing in Rhondda Cynon Taf's future and by improving and delivering essential services in a different way. This involved the creation of 5 work-streams to invest in to improve essential services: Digitalisation, Commercialisation, Early Intervention and Prevention, Independence and Efficient and Effective Organisation.
- 5.9.13 During 2020/21 the Council's approach within the five work streams was focused on keeping residents and staff safe and significant progress made in relation to Digitalisation as more Council services were made available online. As part of this programme of work, all office-based staff and elected Members were provided with means by which they could work from home during the pandemic, with these arrangements continuing in place. The Council also set out its approach to commercialisation in a Capital Strategy Report to Council in [March 2021](#).
- 5.9.14 The on-going relevance of the above 5 work-streams were tested as part of the Council's [2021/22 Budget Consultation](#) and the feedback of respondents is set out below.

Workstream	Yes (%)	No (%)	Don't Know (%)
Digitalisation	80.3	10.3	9.4
Commercialisation	70.6	15.4	14
Early Intervention and Prevention	89.6	6.3	4.1
Independence	82	10	8
Efficient and Effective Organisation	88	6.6	5.4

## 5.10 DEVELOPING THE ENTITY'S CAPACITY, INCLUDING THE CAPABILITY OF ITS LEADERSHIP AND THE INDIVIDUALS WITHIN IT

### Developing the entity's capacity

- 5.10.1 The Council's performance management arrangements were refocused on recovery and contingency planning during 2020/21, this being within the priorities of the Corporate Plan; as a result, Service and Corporate Self Evaluations were not undertaken for 2020/21. The most recent Service Self Evaluations used to inform 'normal' service planning and the Corporate Assessment which considers the performance of the Council's corporate body remain those reported to Cabinet on [19th March 2019](#) and to the Finance and Performance Scrutiny Committee on [2nd April 2019](#). It is noted that self-evaluation arrangements will re-start in 2021/22 and will take account of the Council's new responsibilities as set out in the Local Government and Elections (Wales) Act 2021.
- 5.10.2 The arrangements in place during 2020/21 continued to evidence that the Council is able to re-prioritise its capacity within a very challenging financial climate and in the context of the Covid-19 pandemic, and remain focussed on Corporate Plan priority areas. This is evidenced by:
- Strong and focussed leadership from the Cabinet and Senior Leadership Team, in re-setting priorities and resources to ensure continued service delivery during the pandemic and also ensuring open and transparent decision making in line with the Council's Constitution;
  - The delivery of significant capital programme investment during 2020/21 (£102Million), the majority of which was invested in Corporate Plan priority areas - this being progressed in collaboration with partners and Welsh Government, who have provided additional funding to support many of the projects;
  - Accelerating service transformation in many areas, linked to the need to quickly provide alternative means of service delivery as a result of Covid-19 restrictions. This has included digitisation of more processes, an increase in the availability of on-line services for residents and businesses, optimising the use of Council accommodation alongside on-going work to assess future accommodation requirements and significantly reducing the need for business travel;
  - Additional services provided by the Council's Occupational Health Service, to support staff health and well-being, and the Human Resources Service working with service managers to effectively manage staff attendance; and
  - The continued recruitment, development and management of staff together with graduate and apprenticeship programmes to create excellent job and training opportunities across a range of key service areas.

## **Developing the capability of the entity's leadership and other individuals**

5.10.3 Part 3(i) of the Council's Constitution, 'Responsibilities for Functions', sets out the responsibilities of the Leader of the Council, the Cabinet and designated employees of SLT (Section 3A) and is kept under on-going review.

### Developing the capabilities of elected Members

5.10.4 During 2020/21, there has been continued focus on supporting the capabilities of elected Members. This has included:

- Members Personal Development Reviews undertaken the results of which will help form the basis of a training programme for the 2021/22 Municipal Year. In addition, the Council Business Unit have facilitated a number of informal sessions for Members to come together 'virtually' to share experiences with the aim of supporting well-being during the Covid-19 restrictions and at the same time have also been provided with updates in relation to scam calls and good practice guides for social media accounts.
- An update to Cabinet on [25th March 2021](#) summarising the various elements of the Local Government and Elections (Wales) Act 2021 (noting that an overview of the Bill was reported to full Council on 15<sup>th</sup> January 2020). It was also noted that an overview of the new Act, specifically in relation to Governance and Audit, was reported to the Council's Audit Committee on [26th April 2021](#).
- Members working with the Council Business Unit and ICT Services to ensure they were equipped with the correct devices and received / were offered virtual training to enable them to conduct their roles in supporting constituents and fulfilling committee responsibilities remotely / virtually (the latter being delivered via Zoom). It was noted that:
  - At the [Finance and Performance Scrutiny Committee](#) on the 15<sup>th</sup> March 2021, Members received a PowerPoint presentation from the Head of ICT in respect of 'Improving, Delivering & Supporting Services over last 12 months' which detailed the work undertaken with Members in this regard and also included reference to "E-Democracy - Committees & Members enabled for virtual meetings - 171 Zoom Committee Meetings (as at January 29<sup>th</sup> 2021)."
  - There has been improved Member attendance at meetings, through the virtual meeting approach, and holding training sessions directly before full Council meetings have resumed, for example, the Council's Winter Maintenance Plan in November 2020 and Gypsy and Traveller Awareness training in January 2021. It is noted that this approach is to be built upon and an update was reported to the [Democratic Services Committee](#) on 1<sup>st</sup> March 2021.

- In parallel with the above (and in line with requirements of the Local Government & Elections (Wales) Act 2021), the Council has invested in infrastructure to enable hybrid meeting arrangements and to ensure the webcasting of meetings, supported in part by the Welsh Government Digital Democracy Fund. It is noted that this work is currently on-going in terms of installing the infra-structure and other key aspects of the project will continue in 2021/22 in respect of training requirements and consideration of any proposed changes to the Council's Constitution.
- Between December 2020 and January 2021 an on-line training needs analysis questionnaire was completed by Audit Committee Members, the result of which informed a Learning and Development Plan that was reported to the [22nd March 2021 Audit Committee meeting](#).
- Specific projects:
  - A Members Portal continues to be developed and a demonstration was provided to the October 2020 Democratic Services Committee. It was noted that the Portal is recognised as a form of good practice through the Members Charter and will be an area on the Council's website for Members to access which will allow them to submit questions / Notices of Motion to Council; submit scrutiny Call Ins; submit Research requests; and be a source of useful contact details for officers / external organisations. It was also noted that development of the Portal is on-going and will also include consideration of making e-learning modules available via this platform; and
  - It is noted that the roll-out of Modern.Gov<sup>2</sup>, this being positively received by Members.
- The Council's arrangements for supporting and providing development opportunities for Members has been recognised through retaining the Members Charter over the past decade. It is noted that to ensure the Council's continued commitment to Member development, preparations are being made for the Council's Charter to be reviewed.

### Member Survey

5.10.5 In accordance with s6(2) of the Local Government (Wales) Measure, 2011 Member views have been sought on their preference for start times of meetings by means of a survey which was conducted in advance of the Council Annual General Meeting in September 2020. The results of the survey were reported to the Democratic Services Committee held on the 1<sup>st</sup> October 2020 and demonstrated that 97% of Members are happy with the level of support provided to them through the Council Business Unit, with Members

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<sup>2</sup> Modern-gov - is an app for automatically downloading, viewing, and annotating meeting papers

indicating they had been well equipped to deal with the new ways of working through a support package of training as the virtual meetings were rolled out on an incremental basis. It is noted that further engagement will be undertaken with Members in due course.

#### Developing the capabilities of employees

- 5.10.6 The Council has a Workforce Plan 2017-22, which was approved by Cabinet on [15th February 2018](#). The plan has set priorities that align to the Council's Corporate Plan in terms of developing a flexible and agile workforce that shares organisational knowledge; recruiting and retaining the best talent to create a diverse workforce; leadership and management development; enabling a high performing, engaged and committed workforce; and supporting health and wellbeing to maximise attendance. The Head of Organisational Development provided Audit Committee with a workforce planning update at the 22<sup>nd</sup> March 2021 on the basis of workforce planning being a strategic risk within the Council's Strategic Risk Register.
- 5.10.7 During 2020/21 staff development has been supported virtually through induction sessions, Leadership and Middle Management Development Programmes, Manager Briefings, 'Joint Cabinet and Senior Officer meetings' and a range of operational training such as health and safety, information management and dignity at work. This was supported by a Training Compendium that brought together all training available within the Council.

### 5.11 **MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT**

#### **Managing risk**

- 5.11.1 The Council's Risk Management Strategy was updated, reported to and endorsed by the Council's Audit Committee on [17th December 2018](#), and sets out the overall purpose and framework for risk management within the organisation. The framework sets out two levels of risk:
- Strategic Risks – those that the Council faces when delivering its Corporate Plan Priorities; and
  - Operational Risks – those associated with the delivery of service objectives and included within Service Delivery Plans.

#### Strategic Risks

- 5.11.2 The Council's strategic risks are set out in a Strategic Risk Register and updates were reported publicly to Cabinet and the Finance and Performance Scrutiny Committee during the year as part of performance reporting arrangements - the latest published strategic risk register update can be

viewed by clicking [here](#) (noting that the 2020/21 year-end Strategic Risk Register will be reported to Cabinet in July 2021).

5.11.3 From reviewing the Strategic Risk Register for 2020/21, it was noted that:

- Updated Strategic Risk position statements were included on the register on a quarterly basis that set out in particular the implications of Covid-19 and the work being taken / planned to mitigate the impact as much as possible;
- A new Strategic Risk was incorporated into the Register at the start of the year in respect of Covid-19, this reflecting its strategic importance to the Council; and
- Risk scores were reviewed on an on-going, with one risk score revised during the year.

#### Operational Risks

5.11.4 Operational Risks are monitored by Service Delivery Plan owners as part of the operational management of services.

5.11.5 In addition to the above, to assist Management in applying consistent risk management arrangements, a Risk Management Toolkit is in place.

#### Proposal for Improvement (Risk Management)

5.11.6 The Council's Risk Management Strategy was last reviewed and approved by Audit Committee in December 2018. The Strategy should be reviewed and where required proposed updates reported to Audit Committee for consideration. In addition, as part of the review, regard should be given to the findings and recommendations included within the 2020/21 Internal Audit report 'Risk Management'.

#### Audit Committee

5.11.7 The membership and planned meeting frequency of the Council's Audit Committee during 2020/21 was in line with the Council's Constitution and legal requirements. The Committee agreed its workplan at the [5th October 2020](#) meeting and all meetings during the year were held virtually. From a review of the 2020/21 workplan, all items were delivered with the exception of the Committee being provided with an overview of a core financial system of the Council, as part of the on-going learning and development of the Committee. It was noted that where core financial system audit assignments were finalised during the year, these were reported to Audit Committee as required; the reasons for the learning and development update not being actioned was due to the need to re-prioritise resources to support Covid-19 recovery work.



5.11.8 Arrangements were introduced during 2020/21 to improve Audit Committee's understanding and visibility of the Council's Strategic Risks, via a programme of updates to the Committee by individual Strategic Risk lead officers. It is noted that further updates will be reported in 2021/22. This approach supports Audit Committee's responsibilities as set out in the CIPFA Publication '*Audit Committees – Practical Guidance for Local Authorities and Police 2018 Edition*' in relation to risk management:

- Having assurance over the governance of risk, including leadership, integration of risk management into wider governance arrangements and the top level ownership and accountability for risks;
- Keeping up to date with the risk profile and the effectiveness of risk management actions; and
- Monitoring the effectiveness of risk management arrangements and supporting the development and embedding of good practice in risk management.

5.11.9 The 2019/20 Audit Committee Annual Report set out three areas for improvement, namely undertaking a skills assessment of Audit Committee members, agreeing a learning and development plan and piloting an approach to evaluate the impact of the Committee's work. It is noted that the skills assessment and learning and development areas have been implemented and work is on-going in respect of evaluating the impact of the Committee's work.

#### Proposal for Improvement

5.11.10 As part of compiling the 2021/22 Governance and Audit Committee work programme, finalised internal audit assignments for core financial systems should be supplemented by a more detailed overview of the area prior to the assignment being presented to Committee. This is to aid Members understanding of the main internal control requirements for key financial systems.

#### **Managing performance**

5.11.11 This area has been set out in Sections 5.8 and 5.9.

#### **Scrutiny**

5.11.12 This area has been set out in Section 5.9.

#### **Internal control**

5.11.13 Internal Control arrangements are covered within paragraphs 5.12.6 and 5.12.7.

5.11.14 With specific regard to the Council's Procedure Rules (Contract Procedure Rules and Financial Procedure Rules), it is noted that whilst an overview of

the Council's Contract Procedure Rules was presented to the March 2021 Audit Committee, no overview of the Financial Procedure Rules was presented. In addition, both documents should be reviewed and updates reported to the Governance and Audit Committee for consideration / approval.

#### Proposal for Improvement

- 5.11.15 As part of the learning and development of Audit Committee, an overview of the Council's Financial Procedure Rules should be built into the 2021/22 Work Programme to support Members understanding of these requirements.
- 5.11.16 A review of the content of the Contract and Financial Procedure Rules should be undertaken and updates reported to the Governance and Audit Committee for consideration / approval.

#### **Managing data**

- 5.11.17 An Information Management Plan is in place that sets out the framework, including legal requirements, for information management within the Council.
- 5.11.18 A review of the arrangements in place during 2020/21 identified they were in line with the agreed governance structure. More specifically (and in addition to the information set out at paragraph 5.7.1 – GDPR):
  - Whilst working from home, the Council continued the arrangements in place for technical and cyber assurance:
    - Secured its annual accreditation to the Public Service Network (PSN) in 2020/21 i.e. The 'PSN' is the Council's connection to the wider public sector network (Council to Council, Council to Government e.g. Department for Work and Pensions) to enable the Council to communicate and share data securely across all public bodies; and
    - Participated in an all Wales Cyber Stocktake involving all Wales local authorities and the Audit Wales study on Cyber resilience, using their findings to further inform the Council's own work on cyber resilience.
- 5.11.19 With regard to the management of data, the Council has focused upon local, regional and national responses to the COVID-19 pandemic, in particular, effectively enabling new services such Track, Trace Protect' (TTP), Community Resilience Hubs, Mass Testing & Vaccinations and supporting the Council's workforce. More specifically:
  - An All Wales Data Protection Officer (DPO) Forum was in operation from May 2020, to which the Council actively participated. The All Wales DPO Forum is a National Forum, led by Public Health Wales and attended by Local Government Data Protection Officers to support Welsh Government and Public Health Wales in dealing with the COVID-19 response; and

- The Council led the National 'Track, Trace Protect' (TTP) Finish Group and was attended by other Local Government Data Protection Officers, Public Health Wales and other Health Board partners. The purpose of the group was to map the flow of data relating to the TTP project, which in turn supported the establishment of the National Sharing Agreement for the COVID-19 pandemic.
- To aid the local response to the COVID-19 Pandemic, the Council's Information Management & ICT teams worked to support the wider organisation and its workforce in enabling users to work from home safely and securely and ensuring continuity of service provision.

5.11.20 It was noted that alongside the above activity, the Information Commissioner's Office (ICO) investigated 7 self-referrals in respect of the Council during 2020/21. In all cases, the ICO determined that no further regulatory action was required and were satisfied with the Council's investigation of the breaches and the remedial measures identified.

#### Public Services Ombudsman for Wales (PSOW)

5.11.21 It has been noted that 4 referrals<sup>3</sup> were considered through the Council's Complaints and Concerns Procedure, the outcomes from which were that no further action was deemed necessary.

#### **Strong public financial management**

5.11.22 The Council has publicly demonstrated its commitment to strong and responsible financial planning and management, and has supported this through the continued delivery of sound financial performance during 2020/21. This is based on:

- A key cross-cutting principle within the Council's Corporate Plan is '*Living within our means*', in effect setting out the importance of sound financial planning and management within the organisation;
- The Council has a suite of protocols supporting financial planning and management that have been complied with, for example, 'Budget and Policy Framework Procedure Rules' and the 'Financial Procedure Rules';
- The Council set a Revenue Budget in 2020/21 after taking account of a £1.321Million budget gap and a 2-stage budget consultation process with a wide range of stakeholders (including the Finance and

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<sup>3</sup> Referrals – referrals are where members of the public complain to the Ombudsman without exhausting the local authority's complaints procedure first. The Ombudsman therefore refers these back to the local authority to be considered in line with their complaints procedure

Performance Scrutiny Committee), with savings being delivered from areas that did not affect frontline services. As part of the [2020/21 Revenue Budget Strategy](#), the Council continued to take a responsible approach to Council Tax increases, having regard to residents feedback as part of the revenue budget consultation process, and set a 2.85% Council Tax increase (excluding Community Council precepts and excluding the Police and Crime Commissioner for South Wales Precept, both of which are outside of the Council's control) which was the lowest increase across Wales;

- Financial performance results were publicly reported every three months during the year and scrutinised by elected Councillors (with the quarter 4 (year-end) report scheduled to be publicly reported in July 2021);
- The Council kept its finances under on-going review throughout 2020/21 and was able to continue its strategy of releasing resources from earmark reserves (as referred to in 5.8.7) to support additional one-off investment in Corporate Plan priorities;
- The Council did not certify its draft 2020/21 Statement of Accounts in accordance with the statutory timeframe of 31<sup>st</sup> May 2021; however, in line with the regulations, a notice has been published on the Council's website setting out the reasons for non-compliance i.e. *'Due to the ongoing requirement to address the impact of COVID-19, the authority has continued to divert resources to support key frontline services, reprioritised work accordingly and revised its timescale for preparing the statement of accounts for financial year 2020/21. The statement of accounts will therefore be prepared and the Responsible Financial Officer will sign and certify the statement of accounts by the 30 June 2021'*.
- Audit Wales presented its latest 'Annual Audit Summary' for 2020 to full Council on [10th March 2021](#) - key information reported by audit Wales in relation to the audit of the 2019/20 Statement of Accounts was:
  - the Auditor General gave an unqualified true and fair opinion on the Council's financial statements on 26 November 2020, four days ahead of the statutory deadline;
  - the Council's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were also consistent with the financial statements prepared by the Council and with our knowledge of the Council;
  - the quality of the draft statements presented for audit on 14 July 2020 was generally good;
  - a number of changes were made to the Council's financial statements arising from our audit work, which were reported to Full Council in our Audit of Financial Statements Report in November 2020; and
  - in addition to the Auditor General's responsibilities for auditing the Council's financial statements, he also has responsibility for the

certification of a number of grant claims and returns. Our work to date has not identified any significant issues

- The Annual Audit Summary for 2020 also made reference to other reports issued to RCT during 2020, including the report '[Financial Sustainability Assessment - Rhondda Cynon Taf County Borough Council](#)' – overall conclusions were:
  - The Council is well placed to manage its financial sustainability over the short and medium-term;
  - The Council focusses on both short-term annual budgeting and medium term financial planning, which are clearly linked to supporting the achievement of corporate priorities and objectives;
  - The Council has a good track record of delivering services within agreed budgets;
  - The Council has made significant savings in recent years and planned savings have largely been achieved;
  - The Council has a reasonable level of useable reserves;
  - The Council collects a high proportion of council tax income; and
  - The Council takes a prudent approach to borrowing.
- Audit Wales also reported its 'Audit of Accounts Report Addendum' to Audit Committee on [1st February 2021](#) and related to the external audit of the Council's 2019/20 Statement of Accounts. The Audit Wales report set out 2 recommendations that have been agreed by RCT and have been implemented by 1<sup>st</sup> April 2021.
- The Council have well embedded Medium-Term Financial Planning arrangements (see also 5.8.5) and is in the process of updating its MTFP to cover the period 2021/22 to 2024/25.

### **Compliance with the CIPFA Financial Management Code of Practice**

- 5.11.23 The CIPFA Financial Management Code (the Code) was launched in November 2019 and is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability.
- 5.11.24 The Code sets the standards of financial management for local authorities and is based on a series of principles supported by specific standards and statements of practice which are considered necessary to provide the strong foundation to:

- Financially manage the short, medium- and long-term finances of a local authority;
- Manage financial resilience to meet foreseen demands on services; and
- Financially manage unexpected shocks in their financial circumstances.

5.11.25 Each local authority must demonstrate that the requirements of the Code are being satisfied, with compliance being a collective responsibility of elected members, the Chief Finance Officer and their professional colleagues in the leadership team. However, the Code is not expected to be considered in isolation and accompanying tools will form part of the collective suite of evidence to demonstrate sound decision making and a holistic view is taken. In addition, whilst the Code is designed to be flexible to the nature, needs and circumstances of individual authorities, it is up to each authority to determine the extent to which it complies with the Code and to identify what action it may wish to take to better meet the standards that the Code sets out.

5.11.26 Full compliance is expected for the 2021-22 financial year (i.e. from April 2021) with the 2020-21 financial year acting as a shadow year. In its Guidance Bulletin 06 (*Application of the Good Governance Framework 2020/21*), CIPFA has stated that the Annual Governance Statement for 2020-21 should include the overall conclusion of an assessment of the organisation's compliance with the principles of the Code and where there are outstanding matters or areas for improvement, these should be included in the action plan.

#### Proposal for Improvement

5.11.27 The Council has undertaken an assessment of its current arrangements against the Standards set out in the Code. The assessment process has demonstrated compliance with all of the standards, albeit, areas for improvement have been identified to further reinforce existing arrangements and are included in Section 7.

### 5.12 **IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY**

#### **Implementing good practice in transparency and reporting**

5.12.1 The Council has implemented an open and consistent approach to reporting its business, as set out in earlier sections of this Annual Governance Statement, with the aim of helping to ensure information is understandable to stakeholders and that they have the opportunity to challenge the Council's performance, plans and decisions, for example, as part of reporting the Council's Statement of Accounts and quarterly Performance Reports.

### Cabinet Attendance at Scrutiny

- 5.12.2 Cabinet Members have attended their relevant Scrutiny Committee(s) to support the delivery of Covid-19 reports in respect of responses and recovery, and the Council recognises the key role of engagement between the Executive and Scrutiny Committees in the development of forward work programmes and to discuss the identification of any matters within the Cabinet forward work programme which may warrant further review. This has been evidenced via Cabinet / Scrutiny engagement sessions and Scrutiny Chairs and Vice-Chair meetings to coordinate the work of scrutiny committees.
- 5.12.3 In order to increase the prominence / awareness of the Annual Governance Statement, arrangements have been put in place whereby a designated '[Governance](#)' section has been developed on the Council's website. As part of the suite of information on this web-age it is noted that the Local Code of Corporate Governance Section was published in 2019 and has not been reviewed since this time.

### Proposal for Improvement

- 5.12.4 The Council's Local Code of Corporate Governance should be reviewed and where proposed updates are deemed necessary, an updated document reported to the Council's Governance and Audit Committee for consideration / approval.

### **Assurance and effective accountability**

#### Internal Audit

- 5.12.5 The Council's Cabinet approved for the Internal Audit Service to be transferred to a Regional Internal Audit Shared Service (hosted by the Vale of Glamorgan Council), with effect from 1<sup>st</sup> April 2019. A review of information presented by the Regional Internal Audit Shared Service to Audit Committee during the year provides assurance that the Service continued to play a key part in enabling the Committee to fulfil its Terms of Reference.
- 5.12.6 An Internal Audit Charter was in place for the 2020/21 financial year that was approved by Audit Committee on [5th October 2020](#) and sets out the Service's position within the organisation, for example, its authority to access records, personnel and physical properties relevant to the performance engagements.
- 5.12.7 The Head of Internal Audit has produced a Head of Internal Audit Report for 2020/21. Subject to Audit Committee consideration at its meeting in July 2021, the Head of Internal Audit Report states:
- *from the work undertaken during the financial year 2020/21 and taking into account other sources of assurance, 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: “Effective with a small number of areas identified for improvement”.*

- *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.*
- 5.12.8 In addition, the Head of Internal Audit’s Annual Report 2020/21 confirmed overall conformance to the Public Sector Internal Audit Standards. Covid-19 changed how audit work was carried out in 2020/21 and all staff have worked from home for the year. Audits have been conducted remotely using various digital solutions, holding remote meetings, sharing of screens and sending of data and evidence electronically. Whilst there was a steep learning curve both for audit staff and auditees all have adjusted well to the new ways of working.
- 5.12.9 Although the pandemic did have an impact on the delivery of the internal audit plan for 2020/2021 the level of Internal Audit coverage was still sufficient for the Head of Audit to be able to give an opinion. In respect of audit coverage; Internal Audit provided assurance on the processes put in place across Council services as a result of emerging risks during the year and many of the planned reviews for 2020/21 included a Covid related element in the audit scope and objectives. Audits have taken longer than usual, in particular where services have been under more pressure, or obtaining evidence has been more time consuming. Some planned reviews were not undertaken during the year, some due to requests from services that were under intense pressure. These will be considered in the 2021/22 plan.
- 5.12.10 It is likely that the service will continue to be delivered remotely for the foreseeable future with an element of office based/face to face working introduced over time when restrictions allow.

## 5.13 OTHER KEY GOVERNANCE ARRANGEMENTS

### **Amgen Cymru Ltd**

- 5.13.1 Rhondda Cynon Taf CBC holds 100% of the voting rights of Amgen Cymru Ltd., who in turn hold 100% of the voting rights of Amgen Rhondda. The Council also holds 100% of the allotted preference shares in Amgen Rhondda Ltd. The principal activities of Amgen Cymru is to provide waste management services and waste disposal facilities. Amgen Rhondda is responsible for the stewardship of the Nant y Gwyddon landfill site.
- 5.13.2 The directors of the companies are responsible for ensuring there are sound governance arrangements including a robust system of internal control.
- 5.13.3 The Council removed the “arm’s length” status of the companies during 2009/10, therefore many of the aspects of the Council’s governance



arrangements such as policies, processes and controls apply to the companies.

5.13.4 During 2020/21 there have been no significant governance issues that have been identified by the Amgen Company directors, internal auditors or external auditors.

### **Pension Fund**

5.13.5 Rhondda Cynon Taf County Borough Council is the Administering Authority for the Rhondda Cynon Taf Pension Fund. Whilst the governance arrangements detailed in this statement apply equally to the Council's responsibilities to the Pension Fund there are further specific requirements for Pension Funds which are detailed in a number of key documents:

- Governance Statement of Compliance which indicates the Fund's position against the Government's best practice standards;
- Governance Policy Statement which provides an overview of the management structure, decision making and employer engagement;
- Communication Policy Statement which details the communication and information services to participating employers and scheme members;
- Pension Fund Administration Strategy which seeks to improve efficiency in the delivery of agreed standards of quality and to ensure compliance with statutory requirements;
- Investment Strategy Statement which details how Fund investments are managed, including the Fund's policy on how social, environmental and corporate governance considerations are taken into account; and
- Funding Strategy Statement which provides a summary of how we will fund our pension liabilities.
- Pension Fund Risk Register, which identifies, prioritises and monitors risks associated with the Fund, against suitable mitigation controls.

5.13.6 All of these documents can be found at the following link: [www.rctpensions.org.uk](http://www.rctpensions.org.uk)

5.13.7 The Public Service Pensions Act 2013 introduced a number of changes to public service pension schemes, including some significant changes for the governance of such schemes. In accordance with the Act, the Council established a Local Pension Board to assist Rhondda Cynon Taf County Borough Council in its role of Administering Authority ('Scheme Manager') in:

- Securing compliance with the Principal Regulations and any other legislation relating to the governance and administration of the LGPS;
- Securing compliance with the requirements imposed in relation to the LGPS by the Pensions Regulator; and
- Ensuring the effective and efficient governance and administration of the LGPS by the Scheme Manager.

- 5.13.8 The Pension Board is made up of two employer representatives and two member representatives.
- 5.13.9 In 2016/17 the Council established a formal Pension Fund Committee (subject to the provisions of Section 101 of the Local Government Act 1972) to oversee its responsibilities with regard to the administration of the RCT Pension Fund. The Pension Fund Committee consists of 5 elected members and is politically balanced.
- 5.13.10 The Committee is responsible for the strategic management of the RCT Pension Fund with all operational matters continuing to be delegated to the Council's Chief Finance Officer (as the Section 151 Officer or in his absence the Deputy Section 151 Officer) who are supported by an Investment and Administration Advisory Panel with appropriate officer, independent advisor and professional support.
- 5.13.11 The Pension Fund Committee met 4 times during the 2020/21 financial year.
- 5.13.12 In 2017, a Joint Governance Committee (JGC) was established in accordance with an inter-authority agreement, responsible for oversight of the Wales Pension Partnership (WPP) investment pooling collaboration of the eight LGPS funds in Wales. The eight Welsh Pension Fund Committee Chairs or their nominated deputy (elected member) attend the JGC and are supported by an officer working group. In January 2018, the WPP appointed an 'Operator' to establish and run a collective investment vehicle for the sole use of the Local Government Pension Scheme (LGPS) funds in Wales.

A summary of the pooling objectives of the WPP are:

- Generate consistent net of fee excess returns;
- Diversify manager risk;
- Reduce average manager fees;
- Achieve tax efficiency by reclaiming withholding tax on dividends (for non-UK equity sub-funds);
- Meet the Government deadlines by establishing one sub fund submission to the FCA; and
- Equitably share the costs of transitioning into sub-funds.

## **OVERALL ASSESSMENT OF THE COUNCIL'S ARRANGEMENTS**

6.1 Based on the assessment undertaken, it is considered that the Council's governance arrangements provided the basis to effectively manage service delivery, Corporate Plan priority areas and resources during an unprecedented period as a result of the Covid-19 pandemic. This overall conclusion, set in the context of the pandemic, is supported by:

- The timely introduction of revised decision making and democratic engagement arrangements, in line with new coronavirus regulations and the Council's Constitution, and an on-going programme of support to elected Members to enable the continued effective discharge of their responsibilities;
- Robust service planning and prioritisation of resources in parallel with the transformation of service delivery in many areas to ensure the continued provision of essential frontline services;
- An open approach to engaging with stakeholders, partners and the Council's scrutiny function in the planning and delivery of services, this primarily being delivered remotely / virtually during the year;
- Regular reporting and publishing of financial, operational performance and governance related information, and a range of service specific information such as Covid-19 recovery arrangements, customer feedback and Committee forward work programmes, to enable stakeholders to hold the Council to account in the delivery of services / Corporate Plan priorities and use of resources;
- Robust financial management and internal control arrangements underpinning the Council's business, ensuring the appropriate use of public funds;
- An unqualified audit opinion from the Council's external auditor on the Council's latest approved Statement of Accounts (2019/20) and assurance from 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;
- A medium-term approach to financial planning, within a challenging public sector financial climate;
- On-going awareness raising within the Council to promote probity and a zero-tolerance culture in respect of fraud, bribery and corruption, and also reporting on the Council's performance in these areas; and
- The Council having a track record of implementing Annual Governance Statement recommendations in previous years.

6.2 Notwithstanding this overall position, the assessment has identified areas where improvements are deemed necessary to further reinforce the effectiveness of the Council's current arrangements. These are set out in Section 7.

## 7. PROPOSALS FOR IMPROVEMENT

7.1 Further to completing the assessment of the Council's governance arrangements, Table 2 summarises the proposals for improvement.

Table 2 – Proposals for Improvement

<b>Core Principle / Area</b>	<b>Paragraph No.</b>	<b>Issue Identified</b>	<b>Recommendation</b>	<b>Timescale for Implementation</b>	<b>Responsible Officer(s)</b>
<b>MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT</b>	5.11.7	The Council's Risk Management Strategy was last reviewed and approved by Audit Committee in December 2018.	The Strategy should be reviewed and where required proposed updates reported to the Governance and Audit Committee for consideration. In addition, as part of the review, regard should be given to the findings and recommendations included within the 2020/21 Internal Audit report 'Risk Management'.	December 2021	Head of Procurement Delivery
	5.11.10	Where core financial system internal audit reports are presented to Audit Committee, no separate overview of the required internal controls is provided to aid Members understanding of the area (as originally intended as part of the 2020/21 work programme)	As part of compiling the 2021/22 Governance and Audit Committee work programme, finalised internal audit assignments for core financial systems should be supplemented by a more detailed overview of the area prior to the assignment being presented to Committee. This is to aid Members understanding of the main internal control requirements for key financial systems.	From October 2021	Coordinated by the Service Director – Finance and Improvement Services

Core Principle / Area	Paragraph No.	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer(s)
<b>MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT</b>	5.11.15	<p>Although an overview of the Council's Contract Procedure Rules was presented to the Audit Committee in 2020/21, no overview of the Financial Procedure Rules was presented.</p>	<p>As part of the learning and development of Governance and Audit Committee Members, an overview of the Council's Financial Procedure Rules should be built into the 2021/22 Work Programme to support Members understanding of these requirements.</p>	November 2021	<p>Service Director – Finance and Improvement Services</p>
		<p>In addition, it was noted that a review of the information contained within both documents was not reviewed and reported to Audit Committee during 2020/21.</p>	<p>A review of the content of the Contract and Financial Procedure Rule documents should be undertaken and updates reported to the Governance and Audit Committee for consideration / approval (where deemed required).</p>	December 2021	<p>Service Director – Finance and Improvement Services and Head of Procurement Delivery</p>

Core Principle / Area	Paragraph No.	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer(s)
<b>MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT</b>	5.11.27	<p><u>Compliance with the CIPFA Financial Management Code of Practice</u></p> <ul style="list-style-type: none"> <li>• Standard C - Governance and Financial Management Style <ul style="list-style-type: none"> <li>○ No Council wide review of officer schemes of delegation has been undertaken during the past financial year.</li> <li>○ Currently, progress updates in relation to Audit Wales recommendations are reported to Audit Committee annually.</li> </ul> </li> </ul>	<p>Officer Schemes of Delegation should be reviewed and where required updated, approved by the Designated Officers and re-issued to post-holders.</p> <p>Updates on the progress being made by the Council to implement Audit Wales recommendations should be timetabled within the Governance and Audit Committee work programme for 2021/22 and provide a mid-year and year-end update of progress.</p>	<p>January 2022</p> <p>November 2021 / March – April 2022</p>	<p>Coordinated by the Director of Legal Services</p> <p>Director of Finance and Digital Services</p>

Core Principle / Area	Paragraph No.	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer(s)
<b>MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT</b>	5.11.28	<p><u>Compliance with the CIPFA Financial Management Code of Practice</u></p> <ul style="list-style-type: none"> <li>• Standard G - The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members</li> <li>○ The Council's forward-looking planning period covers 3 / 4 years as part of its Medium-Term Financial Plan.</li> </ul>	<p>As part of the Council's on-going forward planning arrangements, information on the longer-term outlook (5 years+) should be considered and relevant updates reported as appropriate.</p>	March 2022	Director of Finance and Digital Services
<b>IMPLEMENTING GOOD PRACTICES IN TRANSPARENCY, REPORTING, AND AUDIT TO DELIVER EFFECTIVE ACCOUNTABILITY</b>	5.12.4	<p>As part of the suite of information on the Council's Governance web-age, it is noted that the Local Code of Corporate Governance was published in 2019 and has not been reviewed since this time.</p>	<p>The Council's Local Code of Corporate Governance should be reviewed and where proposed updates are deemed necessary, an updated document reported to the Council's Governance and Audit Committee for consideration / approval.</p>	February 2022	Head of Procurement Delivery



7.2 The Council's SLT has accepted the proposals for improvement and is committed to their implementation during 2021/22. The SLT has also confirmed that an update on progress will be reported to the Council's Governance and Audit Committee during the year to enable elected Members to review and scrutinise the extent of progress being made.

Leader: \_\_\_\_\_

Chief Executive: \_\_\_\_\_

## APPENDIX A

### Examples of the key elements of the Council's governance arrangements

Good Governance Principles	Examples of key systems, processes and documents in place within the Council
Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law	<ul style="list-style-type: none"> <li>• <a href="#">Elected Councillor and Officer Codes of Conduct</a> - setting out the standards of behaviour to be followed based on the principles of integrity, honesty, impartiality and objectivity.</li> <li>• <a href="#">Rules of Procedure</a> - covering Council, Open Government, Access to Information, Budget and Policy Framework, Executive, Overview and Scrutiny, Officer Employment and Contract and Financial Procedure Rules. The rules set out arrangements to be followed by elected Councillors and Officers when conducting the Council's business with the aim of publicly demonstrating accountability and openness.</li> <li>• <a href="#">Standards Committee</a> - the role of which includes, amongst other things, promoting and maintaining high standards of conduct by elected Councillors.</li> <li>• <a href="#">Whistleblowing Policy</a> - promoting the highest possible standards of service and setting out how workers can bring information about a wrongdoing to the attention of the Council.</li> <li>• Anti-fraud, Bribery &amp; Corruption Strategy.</li> <li>• Gifts and hospitality Policy.</li> <li>• <a href="#">Comments, Compliments and Complaints</a> - setting out how the Council handles and responds to feedback (complaints, compliments and comments).</li> <li>• Officer Guide.</li> </ul>
Ensuring Openness and comprehensive stakeholder engagement	<ul style="list-style-type: none"> <li>• A <a href="#">Publication Scheme</a> that aims to advise citizens how to request public information the Authority holds.</li> <li>• Clear and open <a href="#">Corporate &amp; Service Specific Privacy Notices</a>.</li> <li>• Forward plans for Committee meetings together with the matters to be considered, where appropriate.</li> </ul>
Developing the entity's capacity, including the capability of its leadership and the individuals within it	<ul style="list-style-type: none"> <li>• Corporate and Service Self-Evaluation process.</li> <li>• Corporate Plan.</li> <li>• Programme of elected Councillor and Officer training and development.</li> <li>• Workforce Plan 2017-22.</li> <li>• Schemes of Delegation.</li> </ul>

<b>Good Governance Principles</b>	<b>Examples of key systems, processes and documents in place within the Council</b>
Defining outcomes in terms of sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> <li>• Performance Management Framework.</li> <li>• Corporate Plan and Service Delivery Plans.</li> <li>• Quarterly Performance Report (including Risk Register up dates).</li> <li>• Risk Management Strategy.</li> </ul>
Determining the interventions necessary to optimise the achievement of the intended outcomes	<ul style="list-style-type: none"> <li>• Annual Revenue Budget Strategy and three year Capital Programme.</li> <li>• Medium Term Financial Plan.</li> <li>• Scrutiny Committees.</li> </ul>
Managing risks and performance through robust internal control and strong public financial management	<ul style="list-style-type: none"> <li>• Corporate and Service Self-Evaluation process.</li> <li>• Risk Management Strategy.</li> <li>• Service Delivery Planning.</li> <li>• Quarterly Performance Report (including Risk Register up dates).</li> <li>• Corporate Performance Report (i.e. year-end annual report).</li> <li>• Audit Committee and a Regional Internal Audit function.</li> <li>• Information Management Plan (including General Data Protection Regulation).</li> <li>• Budget and Policy Framework Procedure Rules and Contract and Financial Procedure Rules.</li> <li>• Medium Term Financial Plan.</li> </ul>
Implementing good practices in transparency, reporting, and audit to deliver effective accountability.	<ul style="list-style-type: none"> <li>• Reporting protocols and calendars (including forward looking work programmes, for example, for Cabinet and Scrutiny Committees).</li> <li>• Statement of Accounts.</li> <li>• Annual Governance Statement.</li> <li>• Production of Annual Reports on key areas of business e.g. Corporate Parenting, Annual Equality Report, Scrutiny Annual Report, Standards Committee Annual Report, Audit Committee Annual Report.</li> <li>• Internal Audit external assessment (every 5 years) and Internal Audit Charter.</li> <li>• Pension Fund Committee.</li> </ul>

**APPENDIX B**

**PROPOSALS FOR IMPROVEMENT 2019/20 – POSITION STATEMENT**

Core Principle / Area	Issue Identified	Recommendation	Responsible Officer
<p><b>Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law</b></p>	<p><u>Whistle-Blowing</u></p> <p>Although the Council's Whistle-blowing policy is kept under on-going review at an operational level, the Policy was last reported to Audit Committee for consideration in October 2016.</p>	<p>The Council's Whistle-Blowing Policy should be subject to a full review, taking into account intelligence gathered since the last update, and reported to Audit Committee for review, challenge and sign-off.</p>	<p>Director of Human Resources</p> <p>Status – Completed – reported to 26<sup>th</sup> April 2021 Audit Committee</p>
<p><b>Managing risks and performance through robust internal control and strong public financial management</b></p>	<p><u>Audit Committee</u></p> <p>Risk Management – strengthen Committee's visibility of the Council's risk profile and provide Audit Committee Members with the appropriate support to further development their skills in this area.</p> <p>Learning and Development – although individual elected Member training and development arrangements are in place, no skills assessment has been undertaken for Audit Committee members (informed by the CIPFA publication 'Audit Committees - Practical Guidance for Local Authorities &amp; Police 2018 Edition')</p>	<ul style="list-style-type: none"> <li>• Strategic Risk Register updates to be incorporated into the Audit Committee work programme.</li> <li>• Complete a skills assessment for members of Audit Committee the results from which will inform a refreshed programme of learning and development for the Committee (and should then be incorporated into an action plan for Audit Committee to support its on-going development and link to the Audit Wales project 'Rhondda Cynon Taf Audit Committee - Support and Development').</li> </ul>	<p>Service Director – Finance and Improvement Services</p> <p>Status – Completed - from 1<sup>st</sup> February 2021 Audit Committee</p> <p>Service Director – Democratic Services and Communications and Service Director – Finance and Improvement Services</p> <p>Status – Completed - updates to 1<sup>st</sup> February 2021 and 22<sup>nd</sup> March 2021 Audit Committee meetings</p>

Core Principle / Area	Issue Identified	Recommendation	Responsible Officer
<b>Managing risks and performance through robust internal control and strong public financial management</b>	<u>Operational Risk Management</u> Although operational risk management is undertaken at a service level (via local Service Delivery Planning and monitoring arrangements) assurance is required to determine whether the arrangements are operating as intended.	Undertake a review of operational risk arrangements.	Service Director – Finance and Improvement Services Status – Completed (year-end 2020/21)