

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2014/15

COMMITTEE:

AUDIT COMMITTEE

6th May 2015

Item No. 4(c)
Draft Annual Governance Statement 2014/15 – Rhondda Cynon Taf County Borough Council

REPORT OF:-

GROUP DIRECTOR, CORPORATE & FRONTLINE SERVICES

**Author: Marc Crumbie (Operational Audit Manager)
(01443) 680779**

1. PURPOSE OF THE REPORT

This report provides Members with an overview of the Council's governance arrangements for the financial year 2014/15.

2. RECOMMENDATIONS

In order for Audit Committee to discharge the duties as outlined in Section A of its Terms of Reference: *“Review and recommend for certification the Annual Governance Statement”* it is recommended that Members:

- 2.1 Critically review the Annual Governance Statement (AGS), suggest any material amendments and recommend its certification by the Leader of the Council and the Chief Executive in readiness for inclusion within the Council's 2014/15 Statement of Accounts.

3. BACKGROUND

- 3.1 The Accounts and Audit (Wales) Regulations 2014 (regulation 5) states:

“Responsibility for internal control and financial management

(1) *The relevant body must ensure that there is a sound system of internal control which facilitates the effective exercise of that body's functions and which includes*

- (a) *arrangements for the management of risk; and*
(b) *adequate and effective financial management.*

(2) *The relevant body must conduct a review at least once in a year of the effectiveness of its system of internal control and shall include a statement on internal control, prepared in accordance with Proper Practices.”*

Proper Practices are deemed to be the Code of Practice for Local Authority accounting which specifies:

“A local authority shall undertake a review of its system of internal control in accordance with best practice. Delivering Good Governance in Local Government, published by CIPFA and SOLACE, recommends that the review be reported in an Annual Governance Statement.”

3.2 The draft AGS relating to the activities of the Council for the 2014/15 financial year is attached at Appendix A. The format of the AGS uses the framework and principles contained within the ‘Delivering Good Governance in Local Government’ publication.

3.3 Section 4 of the CIPFA/SOLACE Framework states:

“Annual Review & Reporting

Authorities should undertake regular, at least annual, reviews of their governance arrangements to ensure continuing compliance with best practice as set out in the Framework. It is important that such reviews are reported on both within the authority, to the audit committee or other appropriate member body, and externally with the published accounts, to provide assurance that:

- *governance arrangements are adequate and operating effectively in practice, or*
- *where reviews of the governance arrangements have revealed gaps, action is planned that will ensure effective governance in future.*

The process of preparing the governance statement should itself add value to the corporate governance and internal control framework of an organisation. It should be submitted to the authority for consideration.”

3.4 The Council’s ‘review of effectiveness’ has been embedded into the main body of the annual governance statement (instead of being presented in a separate section of the AGS). The document now describes the arrangements in place, challenges their effectiveness, and where necessary provides recommendations for improvement. With Section 4 of the Framework in mind, Members will hopefully see a clear thread between the descriptive elements of the AGS and the review of effectiveness, all of which is aimed to provide assurance on, and add value to the overall governance arrangements in place.

3.5 The document has been compiled by the Annual Governance Statement Working Group (as recommended by the Wales Audit Office), which met twice. The AGS Working Group consists of a cross section of Officers from all Groups of the Council and also includes one Member (Cabinet Member for Council Business & Corporate Affairs).

- 3.6 In addition to the challenge and input from the AGS Working Group, the AGS has also been reviewed and challenged by the Council's Section 151 Officer.
- 3.7 Subject to Audit Committee approval of the Head of Internal Audit Annual Report 2014/15 (being considered on the same agenda) then the Annual Governance Statement can be considered and recommended for certification.

4. SUMMARY

- 4.1 Based on the review, assessment and on-going monitoring work undertaken during 2014/15, sound governance arrangements were in place, key systems were operating as intended and there were no fundamental weaknesses.

LOCAL GOVERNMENT ACT, 1972
as amended by
THE ACCESS TO INFORMATION ACT, 1985
RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL
LIST OF BACKGROUND PAPERS
AUDIT COMMITTEE
6th May 2015

Report of the Group Director for Corporate and Frontline Services

Author: Marc Crumbie (Operational Audit Manager).

Item	File Ref:
5. Draft Annual Governance Statement 2014/15	IA / MC
Contact Officer:	Marc Crumbie, Operational Audit Manager Bronwydd House Porth CF39 9DL Tel. No. (01443) 680779

RHONDDA CYNON TAF
ANNUAL GOVERNANCE STATEMENT

1.	Scope of Responsibility
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- 1.1 Rhondda Cynon Taf County Borough Council (The Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The introduction of the Local Government (Wales) Measure 2009 identifies that the Authority has a 'general duty to improve'.
- 1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes the arrangements for the management of risk.
- 1.3 The Council's Annual Governance Statement aims to provide an accurate representation of the governance arrangements in place for financial year ending 31st March 2015 and where appropriate recommend areas for improvement.

2.	The Purpose of the Governance Framework
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- 2.1 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.
- 2.2 For Rhondda Cynon Taf County Borough Council, 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.
- 2.3 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.
- 2.4 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.
- 2.5 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work conducted by external agencies and internal arrangements, including performance management arrangements.

- 2.6 The governance framework outlined below has been in place at Rhondda Cynon Taf County Borough Council for the year ended 31st March 2015 (and up to the date of approval of the 2014/15 annual Statement of Accounts).

3.	The Governance Framework
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- 3.1 The Council has used the Chartered Institute of Public Finance and Accounting / Society of Local Authority Chief Executives (CIPFA / SOLACE) 'Delivering Good Governance in Local Government Framework' in compiling its Annual Governance Statement. This framework illustrates best practice and recommends that local authorities must be able to demonstrate compliance with the six principles of good governance:

- Focusing on the purpose of the Authority and on outcomes for the community, and creating and implementing a vision for the local area.
- Members and officers working together to achieve a common purpose with clearly defined functions and roles.
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
- Making informed and transparent decisions which are subject to effective scrutiny and managing risk.
- Developing the capacity and capability of Members and officers to be effective.
- Engaging with local people and other stakeholders to ensure robust public accountability.

- 3.2 The Council has applied these principles to structure its Annual Governance Statement for financial year ending 31st March 2015. The Council's 'review of effectiveness' has been embedded into the main body of the annual governance statement (instead of being presented in a separate section of the AGS). The document now describes the arrangements in place, challenges their effectiveness, and where necessary provides recommendations for improvement.

3.3 **Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area**

Developing and promoting the Council's purpose and vision for its citizens and service users

Single Integrated Plan "Delivering Change"

- 3.3.1 The Council has adopted the Rhondda Cynon Taf Local Service Board Single Integrated Plan (www.rctcbc.gov.uk/singleplan). The Single Integrated Plan sets the strategic direction for organisations in Rhondda Cynon Taf.

- 3.3.2 The joint vision of the Local Service Board is stated within the Single Integrated Plan "Delivering Change" as follows:

"People in Rhondda Cynon Taf are safe, healthy and prosperous."

- 3.3.3 The Single Integrated Plan is used as the strategic driver for the Council's Corporate Plan¹, shapes the University Health Board's corporate priorities and the Police & Crime Commissioner's Crime Reduction Plan.

Single Integrated Plan – Annual Report 2013/14

- 3.3.4 Welsh Government guidance for the production of Single Integrated Plans requires the Local Service Board to prepare an annual report. An annual report should reflect on the work undertaken during the period and also 'look forward' with a view of seeing 'what's next'. The Local Service Board approved their first annual report at their meeting held on 26th June 2014. A copy of the [Single Integrated Plan - Annual Report 2013/14](#) was presented to Full Council held on 23rd July 2014. The Single Integrated Plan Annual Report 'looked back' at delivery during 2013/14 and also 'looked forward' to 2014/15.

- 3.3.5 The Annual Report 2013/14 evaluated the impact that "Delivering Change" had during 2013/14, as follows:

"The Single Integrated Plan has been successful in some ways: partners have been brought together, encouraging better collaboration and allowing organisations to align their corporate plans to a common vision; efforts have been made to make the partnership structure more effective and focussed on actions; and the performance of services in some areas has been better communicated and discussed.

But, despite the good work individuals and organisations have done in 2013/14, this review has suggested that more work is needed to co-ordinate actions across our teams, departments and organisations with the aim of achieving better outcomes for the people of Rhondda Cynon Taf.

The challenge of doing this well is reflected by the latest population measures in 'Delivering CHANGE'. Although we recognise that these issues require long-term solutions and some are affected by things outside of our control, we are failing to make the necessary impact on our measures of success. For example, the rates of smoking, mental illness and obesity are getting worse and, when studied on a local area basis, the measures are even more stark.

For instance, some communities have high levels of poverty, low educational attainment and low employment prospects, whereas others are prospering. This illustrates the need to get better at collecting relevant local information and engaging with communities, to help us to understand what differences there are across Rhondda Cynon Taf.

This review demonstrates that there is a lot of effort and activity going on in Rhondda Cynon Taf to tackle these issues. But collectively, we are not delivering the changes necessary across our outcomes to improve people's lives. This provides us with the opportunity to reflect and decide whether 'delivering the changes' needed requires a different approach."

¹ Corporate Plan – a public document produced annually and approved by the Full Council of RCTCBC each year, setting out its improvement priorities for the financial year ahead

3.3.6 In its 'forward look', the Annual Report looked at "What's next for 2014/15":
"The information and statistics that we have about Rhondda Cynon Taf suggest that the outcomes ('Safety', 'Health' and 'Prosperity') and priorities of 'Delivering CHANGE' are the right ones and we will continue to focus on achieving success by tackling these over the next few years.

This review has shown where we have successfully completed actions in some areas and, therefore, a refreshed set of actions for 'Delivering CHANGE' 2014/15 will be published on our website in Summer 2014. Most of the new actions also appear in our organisation's corporate plans and will therefore continue to be delivered by individuals and teams across Rhondda Cynon Taf.

But, to make a significant impact and move closer to achieving our vision that 'People in Rhondda Cynon Taf are safe, healthy and prosperous', a different approach is needed.

The way services are delivered, and by whom, has to change over the next few years because, due to the economic climate, Councils, Health Boards, emergency services and the voluntary sector cannot continue to provide the services they have done for so many years. Although this is a difficult time, it also presents us with an opportunity to work differently and work better.

Fewer financial resources mean we have to work together and spend money wisely. Although difficult decisions will need to be made, this is an opportunity to make a lasting change in our communities. What may now be short-term investment in prevention and early intervention will have a long-lasting effect, providing sustainable changes for communities now, and in the future, of Rhondda Cynon Taf."

3.3.7 Over the summer months of 2014, an Operational Steering Group considered how best to move forward with partnership working across Rhondda Cynon Taf and returned to the Local Service Board with proposals in September 2014. Briefly, these were that:

- **'Education & Employability' becomes the outcome that informs strategic partnership working. (Hereby referred to as 'Skills & Jobs'.)**
- **Subject to appropriate transitional arrangements, the partnerships of Safety, Health, Prosperity and Fframwaith are stood down.**
- **Geographically focussed task and finish work groups are developed when required to support decisions made by the Local Service Board.**
- **The terms of reference of the Local Service Board, Operational Steering Group and any other relevant groups are amended to reflect this approach.**

3.3.8 The members of the Local Service Board agreed to these proposals, but stressed that the operational mechanisms and relationships built up between partners could not come to an end. The Local Service Board concluded that partnership boards were no longer the most effective mechanism by which work could be planned, co-ordinated, delivered and evaluated.

- 3.3.9 Noting the changes in the governance arrangements, during 2014/15 ['Delivering Change'](#) continued to be the strategic document for the Local Service Board.

Rhondda Cynon Taf County Borough Council's Corporate Plan 2014/15

- 3.3.10 In accordance with the underpinning guidance set out in the Local Government (Wales) Measure 2009, the Council produced a Corporate Plan 2014/15.
- 3.3.11 The Corporate Plan 2014/15 identified the following priorities:

The Council's priorities	Key Link To "Delivering Change"
Public health and protection – protecting people from harm and tackling anti social behaviour	Safety
Streetcare services and the natural environment – keeping RCT clean and green	Safety
Maintaining people's independence - supporting adults and older people to live independently	Health
Children and family centred services - keeping all children and young people safe and improving the life chances of vulnerable children	Health
Education – a top quality education for all: "Every School a Great School".	Prosperity
Regeneration of our communities - improving our communities	Prosperity
Medium term service planning – making the best use of our budget	Bringing it all together

- 3.3.12 The priorities for 2014/15 were informed by the Outcomes in the Single Integrated Plan ("Delivering Change"); an assessment of ongoing performance levels; recommendations reported by external regulators; legislative changes; the increasingly difficult financial climate; feedback from stakeholders; and Welsh Government national priorities as set out within 'Programme for Government'.
- 3.3.13 To support and strengthen the engagement in and scrutiny of the Council's 2014/15 Priority Plans, they were compiled following both officer and elected Member challenge. The elected Member challenge took place in Scrutiny Working Groups and subsequently the Overview and Scrutiny Committee. The Priority Plans formed the basis of the Council's Corporate Plan which was subsequently agreed at a meeting of Council on 25th June 2014 ([Full Council – Approval of Corporate Plan 2014/15](#)).
- 3.3.14 A copy of the Corporate Plan 2014/15 can be found at the following link: [Corporate Plan 2014/15](#).
- 3.3.15 During 2014/15 each Scrutiny Committee received updates in terms of progress made for each priority. The information provided was supported by increased support for Members to give them the necessary information with which to scrutinise the information in a more informed way.

- 3.3.16 In addition to the 'internal' scrutiny of progress and performance, during 2014/15 the Council was also subject to external inspection from its regulatory bodies, namely the Wales Audit Office, Estyn and the Care and Social Services Inspectorate Wales. These regulators focus on the work undertaken across the Council and link directly with some of the Council's priorities.

Wales Audit Office

ISA260 Report

- 3.3.17 The Audit of Financial Statements Report ([ISA260](#)) was presented at the Council meeting held on 24th September 2014.

- 3.3.18 The auditor issued an unqualified audit opinion and stated (in Appendix 2 to the ISA260 Report):

"In my opinion the accounting statements and related notes:

- *give a true and fair view of the financial position of Rhondda Cynon Taf County Borough Council as at 31 March 2014 and of its income and expenditure for the year then ended; and*
- *have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2013-14."*

Estyn

- 3.3.19 Following Estyn's inspection of education services for children and young people in March 2012, the authority was identified as requiring follow-up through Estyn monitoring.

- 3.3.20 Estyn made the following recommendations in its initial inspection dated March 2012:

- **R1** - raise standards in schools particularly in key stage 4;
- **R2** - improve attendance rates in all schools;
- **R3** - improve the evaluation and analyses of data across service areas and partnerships to drive improvements in outcomes for learners;
- **R4** - use the full powers available to the authority to improve leadership and management in schools;
- **R5** - reduce surplus places; and
- **R6** - improve the rigour and the level of scrutiny and challenge across all services and partnerships.

- 3.3.21 The Council's commitment to deliver the stepped improvements required by Estyn was included within its Annual Governance Statement 2013/14 as a significant governance issue and was supported by the detailed priority plan 'Education – a top quality education for all: "Every School a Great School".'

- 3.3.22 A plan for follow-up visits was agreed with Estyn link inspectors. The Council's progress against recommendations 4 & 5 were reviewed by Estyn during November 2013.

- 3.3.23 During 2014/15, two follow-up visits took place.

31st March 2014 – 2nd April 2014

- 3.3.24 Estyn reviewed the progress made against Recommendations 2 & 3. The outcome of this visit was reported to Cabinet at its meeting held on 23rd June 2014.

30th June – 3rd July 2014

- 3.3.25 Estyn reviewed the progress of the Council against Recommendations 1 & 6, and revisited Recommendations 2, 3, 4 & 5 after previously reviewing these recommendations in monitoring visits in November 2013 and April 2014. **This formed a ‘full’ follow-up of all of the six recommendations made in March 2012.** A copy of Estyn’s letter was reported to Cabinet on 2nd October 2014 ([Estyn Letter - August 2014](#)).

- 3.3.26 Based upon the visit that took place between 30th June – 3rd July 2014, Estyn concluded that:

“Rhondda Cynon Taf County Borough Council is judged to have made sufficient progress in relation to the recommendations following the inspection of March 2012. As a result, Her Majesty’s Chief Inspector of Education and Training in Wales considers that the authority is no longer in need of Estyn monitoring and is removing it from further follow-up activity”.

- 3.3.27 In response to the Estyn letter dated 1st August 2014, in his covering report that presented the letter to Cabinet on 2nd October 2014, the Director of Education & Lifelong Learning concluded:

“Members are aware there is still a considerable amount of work to be completed to ensure every school in the County Borough is at least a good school and that all pupils strive and are supported to achieve their full potential. Estyn recognise this and their recommendation to the Council is to:

“The authority should continue to work to raise standards across all key stages, and to improve attendance. It should also continue its work to improve how it undertakes its scrutiny functions, and develop Fframwaith further so that it undertakes its role effectively”.

The Council’s corporate plan already has a series of actions that seek to address Estyn’s recommendations, and progress against the plan will continue to be rigorously scrutinised by Cabinet and the Education Scrutiny Committee.”

- 3.3.28 During 2015/16 the Council will continue to strengthen its arrangements by putting measures in place that all share the objective of improving the educational outcomes for its citizens.

RECOMMENDATION

The Council should ensure that ‘Education’ remains a priority for 2015/16. The priority action plan should (amongst others things) aim to address the outcomes of the Estyn Report dated 1st August 2014.

Care and Social Services Inspectorate Wales

Annual Review & Evaluation of Performance

3.3.29 The [CSSIW Annual Review and Evaluation of Performance 2013/14](#) was reported to the Community & Children's Scrutiny Committee on 17th March 2015.

3.3.30 In their summary, the key messages from the CSSIW report included:
"Rhondda Cynon Taf (RCT) council effectively balanced its overall budget for social services in 2013-14. The authority spends more on social care per head than many other Welsh authorities although this is in the context of relatively high levels of deprivation. The council has outlined realistic savings and has demonstrated strategic financial planning to meet current and future budgetary pressures. In adult services, advances have been made in reshaping service provision. Further change in adult service provision plus an anticipated remodelling of children's services are planned for 2015-16. This is planned to align services to the requirements of the Social Services and Wellbeing (Wales) Act ('the Act') and as a response to the current economic challenges.

The council has mature relationships with the local health board and the neighbouring council of Merthyr Tydfil. This has allowed for an increase in collaborative working and commissioning in several areas of adult and children's services and will be expanded further in 2014-15 and beyond. This is not without its challenges and the director acknowledges that the pace of change must increase in some areas.

The council has a wide ranging strategy to promote the Welsh language and was the locality used for the launch of 'More than just Words'.

Workforce capacity issues remain in children's services and this report highlights the continued use of unqualified workers to case manage and complete initial assessments. Children's services has seen an increase in referrals, a relatively high looked after population and the highest recorded number of young people on the child protection register from any council in Wales. The timely completion of assessments in both adult and children's services is poor and will affect the effectiveness of support and preventative work with vulnerable people and families. The council has identified that greater quality assurance of assessment and care management would improve service provision across social services. The assessment and support of carers (young carers and adult carers), deteriorated this year. The council states it will consider these areas for improvement as part of its overall review of services to ensure all change promotes the priorities dictated in the Act. The council has strong corporate parenting arrangements and improvements have been noted in the educational achievement of looked after children leaving school."

3.3.31 Areas for improvement were identified within the Annual Report.

RECOMMENDATION

The Council should ensure that services delivered to adults and children across the County Borough remain priorities for 2015/16. The priority action plan(s) should (amongst others things) aim to address the areas for improvement raised

within the CSSIW Annual Report.

CSSIW Inspection of Fostering Services 19 – 21st February 2014

3.3.32 The CSSIW undertook an inspection of Fostering Services between 19th – 21st February 2014. The outcome of the inspection was reported to the Corporate Parenting Board on [13th May 2014](#).

3.3.33 Within the covering report that presented the CSSIW Report to the Corporate Parenting Board, the Service Manager for Placement Services concluded:
“Although the Inspection highlighted a number of areas where practice has improved there are still areas where further improvements are needed. There were no areas that needed immediate urgent improvement and no non-compliance notices were issued on the service.

A plan will now be developed specifically to deal with the areas that need improvement. It will focus on improving the support to Foster Carers, in particular the support to Kinship Foster Carers, taking into account the increase in numbers in this area of work.”

3.3.34 In response to the inspection, Officers established an action plan to address the recommendations made. The action plan was reported to the Community & Children’s Services Scrutiny Committee held on [8th October 2014](#).

Rhondda Cynon Taf County Borough Council’s Annual Delivery Report

3.3.35 In October 2014, the Council produced an Annual Delivery Report that assessed the Council’s performance against its improvement priorities for the 2013/14 financial year.

3.3.36 To enable the production of the Annual Delivery Report, Council officers drafted an evaluation of performance for each improvement priority area for 2013/14; each evaluation was then subject to scrutiny via Member led Scrutiny Working Groups (including engagement with the Older People’s Advisory Group for the Maintaining People’s Independence priority) to determine whether the positions reported were fair, balanced and evidence based. Scrutiny working group meetings took place throughout September and October 2014 and an overall update was reported to the Overview and Scrutiny Committee on 15th October 2014.

3.3.37 In parallel with the above process, Council officers updated each performance evaluation in line with scrutiny working group feedback (a summary of which was set out in the Overview and Scrutiny report of the 15th October 2014), and compiled the Annual Delivery Report based on the revised performance evaluations.

3.3.38 Further to the final content of the Annual Delivery Report being approved by Council, the Report was made available on the Council’s internet and intranet sites by the statutory deadline of 31st October 2014. The Report was produced

bilingually and copies made available at public facing Council buildings and on request.

3.3.39 As part of the above process, members of the Overview and Scrutiny Committee were asked to provide feedback on the process. Their feedback was:

Positives

- Useful to inform scrutiny work programme
- Provided Members with the opportunity to consider the information
- Information could confirm your impression of a service

Negatives

- Timescales
- Too late to inform future priorities
- Need to align priorities with service changes

RECOMMENDATION:

From a review of the arrangements applied for the 2013/14 evaluations and taking account of Member feedback, it is recommended that:

- The draft 2014/15 performance evaluations and draft 2015/16 priority plans are considered together by scrutiny working groups;
- A draft 2015 Combined Performance Plan should be produced (based on the performance evaluations and priority plans) for publication and presented to an Overview and Scrutiny Committee for consideration
- Following consideration by the Overview and Scrutiny Committee, a final draft Combined Performance Report should be presented to Council and used to fulfil the Council's statutory responsibilities as set out within the Local Government (Wales) Measure 2009.

Working in collaboration

3.3.40 In the current austere climate within which the Council operates, the potential rewards of working collaboratively with partners could be an avenue by which the Council continues to provide quality services to its citizens. During 2014/15 the Council worked in partnership with a number of organisations in order to provide services to users that are of the highest possible quality (for example, Central South Consortium and the Cwm Taf Safeguarding Children's Board). In addition, plans were put in place for 'new' partnerships to become 'live' during 2015/16 (for example, the establishment of a Cwm Taf Multi Agency Safeguarding Hub and the Regional Adoption collaborative Vale, Valleys and Cardiff).

3.3.41 The Council's **Information Management** plan sets out a framework for Information Management. It provides a comprehensive and corporate approach to all aspects of information management and assurance. It seeks to apply consistent, corporate policies and standards of information management across all Council held electronic and paper based information, provide awareness and training to employees and enable effective information sharing across our wider collaboration and partnership agenda. In doing so, it reflects the increasing legal

framework that is now imposed on public sector bodies through legislation such as the Data Protection Act (1998), Freedom of Information Act (2000), Computer Misuse Act (1990) and the requirements for respect for private life and freedom of expression under the Human Rights Act 1998. In addition, the arrangements seek to embrace good practice standards by the Information Commissioners Office and the Wales Accord for the Sharing of Personal Information (WASPI).

- 3.3.42 A key component of the Council's arrangements is to ensure 'accreditation' to the Public Service Network (PSN) on an annual basis. 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. The Council met rigorous compliance requirements and attained re-accreditation in September 2014.
- 3.3.43 The Council has a dedicated team that investigate all reported instances where the defined protocols may have been breached. All incidents / potential breaches are investigated, reported and where applicable, actions to improve controls are reported in the form of recommendations.
- 3.3.44 In line with the requirement placed upon the Council to raise awareness of the importance of managing the Council's information assets, dedicated training and awareness sessions took place during 2014/15. The sessions were delivered to Headteachers, Members and Officers (identified as Heads of Service or above).
- 3.3.45 A key part of the work is positively supporting the Council's collaborative arrangements, ensuring that information sharing protocols (ISPs) are produced for safe and appropriate sharing of personal information between the Council and other partners. Examples of ISPs developed in the last 6 months include Regional Adoption Service, Youth Offending Team, Multi Agency Safeguarding Hub (Adults), Careers Wales and Mental Health with South Wales Police.

3.4 **Members and officers working together to achieve a common purpose with clearly defined functions and roles**

- 3.4.1 The Council's Constitution was adopted in May 2002 and sets out how it should operate, how decisions need to be made and the procedures to be followed to ensure they are efficient, transparent and available to local people. Since that time, amendments have been made with the aim of ensuring the document remains fit for purpose.
- 3.4.2 An overview is provided in Part 1 of the Constitution (Summary and Explanation) and Part 2 (Articles of the Constitution) explain the rights of citizens and how key parts of the Constitution operate including the roles and responsibilities of Council, the Executive, the Overview and Scrutiny Committee, the four Service Scrutiny Committees, Regulatory Committees (Planning & Licensing), Democratic Services Committee; and the roles and responsibilities of senior officers, specifically the Head of Paid Service (Chief Executive), Chief Finance Officer (Group Director Corporate & Frontline Services) and Monitoring Officer (the Director of Legal and Democratic Services).

3.4.3 Terms of reference are in place for Council, Standing Committees and other committees, these are updated as and when appropriate. For example, the terms of reference of the Corporate Governance and Constitution Committee were updated at the Council Meeting held on 10th December 2014.

3.4.4 Forward work programmes for Cabinet, the Overview and Scrutiny Committee and the four Service Scrutiny Committees are available on the Council's internet site. Each work programme set out the specific meetings that considered financial and operational performance information together with other key themes within the terms of reference of each scrutiny committee.

3.4.5 The Council's Chief Executive (as Head of Paid Service) leads the Council's officers and chairs the Corporate Management Team. The Corporate Management Team consists of:

- The Group Director Corporate & Frontline Services (the position designated to fulfil the statutory role of Section 151 officer i.e. the Chief Finance Officer)
- The Director of Legal and Democratic Services (the Monitoring Officer)
- The Group Director for Community and Children's Services
- The Director of Education and Lifelong Learning
- The Director of Human Resources

3.4.6 During 2014/15 and in accordance with best practice, the statutory role of Section 151 officer within Rhondda Cynon Taf County Borough Council (Chief Financial Officer) complied with the principles outlined in the CIPFA document '*The Role of the Chief Financial Officer*' as follows:

- 1 *is 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;*
- 2 *is 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*
- 3 *leads 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:

4. *leads and directs a finance function that is resourced to be fit for purpose; and*
- 5 *is professionally qualified and suitably experienced.*

3.4.7 At an officer level, a scheme of delegation framework was in place setting out the levels of authority assigned to pre-determined posts.

Effective communication between elected Councillors and officers

3.4.8 A protocol is in place, 'Protocol for Member/Officer Relations' to promote the effective communication between elected Councillors and officers. More specifically, an elected Councillor has been allocated specific responsibility to review, in consultation with the Council's Director of Financial Services, each quarterly Performance Report and summarise financial and operational

performance results, areas of positive performance and also where improvements were required. The outcome of these reviews were quarterly Exception Reports for the Overview and Scrutiny Committee and each of the four Service Scrutiny Committees to help elected Councillors focus on the most important issues at each meeting. Full copies of quarterly Performance Reports were also made available via the website.

Terms and conditions of elected councillors and officers

- 3.4.9 Every elected Councillor has signed up to his/her individual Role Description which is published on the Council's website and inserted into the Constitution (Part 8). A [Schedule of Members Remuneration 2014/15](#) is available on the Council's Internet site.
- 3.4.10 Employees have contracts of employment and competency based job descriptions which set out grade, roles and responsibilities. The Human Resources Service oversees terms and conditions of employment and the Council has a suite of policies and procedures that are available on the internal Intranet for officers to access.
- 3.4.11 In line with the Accounts and Audit (Wales) Regulations 2014, local authorities must disclose in their accounts the number of employees whose remuneration in the year fell in each bracket of a scale in multiples of £5,000 commencing at £60,000 (excluding employer pension contributions). This requirement has been met within the Council's Statement of Accounts for 2014/15.

School Governors

- 3.4.12 The roles and responsibilities of all school governors in Wales are formulated and determined by Welsh Government legislation, namely the Government of Maintained Schools (Wales) Regulations 2005. This legislation determines, for example, the structure of a governing body, the limit of responsibility of a governing body and the legal framework in which it must operate. This legislation is summarised for all governors in a widely distributed Welsh Government publication titled 'The Governors Guide to the Law'.
- 3.4.13 The Council offers a Service Level Agreement for governor support services. Primary and Special schools have bought in to this service (albeit at different levels). Governor Support also provides a comprehensive training programme for all school governors covering a wide range of topics including Safeguarding, Attendance, HR matters and Finance. The training programme also includes the mandatory training required by Welsh Government in respect of governor induction, data and Chairperson training. The Council also provides mandatory training for Clerks to Governing Bodies who are not serving members of the Governor Support Service (a provision for Secondary schools).
- 3.4.14 If any governing body is not acting in accordance with the legislative framework or there are concerns with the way in which a school is being managed, the Council has powers of intervention under part 2 of the School Standards and Organisation (Wales) Act 2013. If such concerns are identified, the Headteacher and governing body will, in the first instance be sent a warning notice outlining the grounds for possible intervention and what action is required to address the

concerns raised within a set time period. If the issues raised are not resolved to the satisfaction of the Council, then consideration is given to the sanctions available, which include the ability of the Council to appoint additional governors, to constitute a new governing body of interim executive members or to suspend the right to a delegated budget.

3.5 **Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour**

3.5.1 Good governance flows from a shared ethos and culture, as well as from systems and structures. As a public body, Rhondda Cynon Taf County Borough Council expects all representatives (i.e. Members and Officers) to conduct their duties with the highest levels of honesty and integrity. Policies underpin the culture in place.

3.5.2 The Council has a series of codes, protocols and policies in place including:
Codes and Protocols

- Members' Code of Conduct
- Protocol Standard of Conduct expected by members
- Officers' – 'Basic Rules' Booklet
- Protocol for Member/Officer Relations

Policies & Procedures

- Financial Procedure Rules
- Contract Procedure Rules
- Financial Management of Schools
- Human Resources policies
- Anti-Fraud, Bribery & Corruption Policy and Procedure
- Whistleblowing Policy
- Gifts and Hospitality Policy

3.5.3 Where Members and/or Officers do not undertake their duties in accordance with the expected standards then governance arrangements are in place within the Council to manage this process in an equitable, fair and transparent manner.

Defined standards of behaviour for elected councillors

3.5.4 A Members' code of conduct is in place setting out the standards that are expected by elected Councillors in fulfilling their roles. All elected Councillors signed up to the code following the local government elections in May 2012.

3.5.5 In addition, a 'Standard of Conduct Expected by Members' is in place, setting out the expected conduct of elected Councillors when dealing with each other. The Terms of Reference for the Council's Standards Committee ([Standards Committee - TOR Page 62](#)) has a key responsibility in ensuring that Councillors have undergone the necessary Code of Conduct training, this is also monitored by the Democratic Services Committee.

3.5.6 The Council's Standards Committee met on 8 occasions throughout 2014/15, a primary responsibility being to monitor the conduct of Members and also investigate allegations of misconduct by Members (that fall below the threshold for investigation by the Public Services Ombudsman Wales).

3.5.7 All complaints relating to the conduct of elected members are referred to the Public Services Ombudsman. The Public Services Ombudsman is currently investigating 2 cases. Two separate cases have been referred back to the Standards Committee by the Public Services Ombudsman. The first of which resulted in a Member being suspended for a period of six months (which is the maximum penalty that can be imposed by the Standards Committee) and the second of which resulted in a Member being suspended for a period of four months.

Defined standards of behaviour for officers

3.5.8 The Council has a number of recruitment and selection Policies in place that help to ensure that new recruits have the integrity and ethical values of the organisation and also the competencies to undertake the duties required of them.

3.5.9 Each new recruit is provided with the 'Basic Rules – A Guide for Employees' booklet that gives each employee information in relation to (amongst other things) expected behaviour, use of social media, appearance and attendance. The expectations of each employee are set out from the outset.

Procedures for monitoring compliance with the Gifts & Hospitality Policy

3.5.10 During 2014/15 the Standards Committee reviewed the Council's Gifts & Hospitality Policy, the outcome of which was presented at the Council meeting held on 25th June 2014.

3.5.11 A gifts and hospitality register is maintained by the Director of Legal and Democratic Services for elected Councillors and by each Group Director at an officer level.

Customer Care Charter

3.5.12 The Council has a Customer Care Charter in place that sets out the standards the Council seeks to achieve when providing a response to customers on a day to day basis through its key customer access arrangements. The Charter includes key aims and also includes a suite of measurable 'Service Standards' by which customers can assess the Council in terms of the service it has delivered (contact can be made either via face-to-face, telephone and/or website access channels).

3.5.13 Compliments received are acknowledged and brought to the attention of the manager and staff member(s) concerned. Comments received should be acknowledged and once evaluated, used to improve service delivery (if possible).

3.5.14 Beyond this a separate [Complaints & Concerns Policy](#) is co-ordinated by Legal Services. The Policy sets out the protocols in place when the Council receives and investigates any complaint made against its officers. Complaints are dealt with in two stages. In the event that the customer is dissatisfied, customers are advised to refer the matter to the Public Services Ombudsman for Wales. During 2014/15 one case was investigated and 15 referred back to the Council by the Public Services Ombudsman for Wales.

- 3.5.15 There is no annual complaints and compliments report for non-social services, services.

RECOMMENDATION

An annual complaints and compliments report should be prepared for 2014/15 that relates to 'all other' Council business (i.e. with the exception of Social Services complaints which is covered by separate, statutory responsibilities).

The report should be presented early during 2015/16 to Cabinet and then at the relevant scrutiny committee. The report should aim to identify where (if) changes in service provision have occurred due to feedback provided.

- 3.5.16 The Council's Complaints & Concerns Policy does not apply to complaints relating to Social Services. These are dealt with separately by the Representation and Complaints Unit (within the Community and Children's Services Group) and provide an opportunity for service users and carers to:
- Make complaints, comments and representations about the nature, quality, availability or delivery of a service
 - Suggest improvements
 - Challenge decisions.
- 3.5.17 There are separate sets of regulations for services to children and adults. The Representations and Complaints Unit policy reflects the key themes and principles contained in the Social Services Complaints Procedure (Wales) 2014.
- 3.5.18 The [Social Services Annual Complaints Report 2013/14](#) was presented to Cabinet on 30th October 2014 and subsequently to the Community and Children's Services Scrutiny Committee held on 4th November 2014. The annual report outlines some of the lessons learned as a result of stage one complaints and the practice recommendations (put into place during 2014/15) arising from stage two complaints. Implementation of the recommendations is monitored by the Complaints Team.
- 3.5.19 The conclusion from the annual report was that:
'Social Services continue to provide a robust and effective complaints procedure in line with the statutory requirements. Complaints are seen as providing valuable customer feedback, with the information from complaints providing valuable lessons learnt when planning and improving services to meet the needs of our customers.'

RECOMMENDATION

In order to provide a more timely 'look back' at the year to which the social services annual complaints report relates, the report relating to 2014/15 should be prepared and presented for scrutiny as early during 2015/16 as practicable. Reporting earlier will ensure that any lessons learnt are formerly identified, actioned, scrutinised and monitored during the financial year that follows.

3.5.20 In addition to the annual report, the Representations & Complaints Unit provides the Corporate Parenting Board with quarterly reports that give a summary of complaints and compliments received within Children's Services. The information contained within these quarterly reports is not presented to the Community & Children's Services Scrutiny Committee. They provide timely information that could, if presented, allow scrutiny members to analyse and increase challenge in terms of requesting what actions have been taken to address any issues raised (if appropriate). No quarterly update, providing information relating to Adults Services is provided/reported to any forum.

3.6 **Making informed and transparent decisions which are subject to effective scrutiny and managing risk**

3.6.1 The [Council's Constitution](#) sets out how the Council must operate and the process for policy and decision-making.

3.6.2 Full Council is made up of seventy five elected Councillors. The Cabinet consists of nine elected Councillors:

- A leader
- A deputy leader
- Seven Cabinet members

3.6.3 Full Council is required by law to approve, amongst other things, the Council's annual revenue budget, three year capital programme, annual Treasury Management Strategy and the formal Council Tax resolutions each year – these being reported to and approved by Council during February and March 2014 in readiness for the 2014/15 financial year. Other decisions are the responsibility of the Executive (Cabinet). Cabinet meetings are open to the public except where items are exempt under the Access to Information Procedure Rules.

Develop and maintain open and effective mechanisms for documenting evidence for decisions

3.6.4 All committee agendas and reports were made public on the Council's internet site 5 working days prior to the meeting (excluding special / extraordinary meetings).

3.6.5 Where decisions were taken by Council and / or Cabinet throughout 2014/15, these have been based on written reports that set out key information (including Equality Impact Assessments where appropriate, and financial and legal implications) and options for elected Councillors to consider. The meetings were open to the public except for those exempt under the Access to Information Procedure Rules. Where decisions were made, Decision Notices were published on the Council's internet site.

Develop and maintain an effective scrutiny function which encourages constructive challenge

3.6.6 The Council's Constitution allows a decision made by the Cabinet or a Committee of the Cabinet to come into force and may then be implemented on the expiry of 5 clear working days following publication of the decision unless any

3 Scrutiny Members (from at least 2 political groups) objects to the decision. Following receipt, by the Monitoring Officer of the Call-in form duly signed by the 3 Scrutiny Members setting out the reason for the call-in, the appropriate Scrutiny Chair is informed and he/she shall convene a meeting of the Overview and Scrutiny Committee or relevant Service Scrutiny Committee on such a date as he/she may determine and the meeting will be held within 5 clear working days of the decision to call-in.

3.6.7 There may be occasions, in exceptional/reasonable circumstances, whereby a decision of the Cabinet or a Committee of the Cabinet is considered urgent and not to be the subject of any call-in. In such instances, the reasons are set out in the Decision Notice and signed by the Proper Officer and also the Mayor.

3.6.8 For the 2014/15 financial year, there were 8 call-ins (including 1 which was rejected by the Council's Monitoring Officer).

- Call-in 1 referred to Medium Term Service Planning – Heritage Services
 - Considered by the Corporate Services Scrutiny Committee on the 4th June, 2014, outcome of which was not to refer the matter back to Cabinet for reconsideration.
- Call-in 2 referred to Coedpenmaen Primary School – Proposed Intervention into the Governance Arrangements of the School.
 - Considered by the Education & Lifelong Learning Scrutiny Committee on the 15th July, 2014 outcome of which was not to refer the matter back to Cabinet for reconsideration.
- Call-in 3 referred to the Review of the Council's Management Structure received on the 29th September, 2014 – this Call-in was rejected by the Council's Monitoring Officer as it was deemed not to be valid.
- Call-in 4 referred to Operating Replacement Services – Opportunities for Community Groups/Individuals – Municipal Hall, Pontypridd
 - Considered by the Corporate Services Scrutiny Committee on the 6th November, 2014 outcome of which was not to refer the matter back to Cabinet for reconsideration
- Call-ins 5 and 6 referred to Improving Primary Education in Wattstown (two separate Call-ins on the same item)
 - Both Call-ins were considered by the Education & Lifelong Scrutiny Committee on the 3rd December, 2014 and the outcome of both were referred back to the Cabinet for reconsideration. The matter was dealt with at the meeting of Cabinet on the 8th December, 2014 and following further consideration, Members of the Cabinet agreed to uphold the Cabinet decision of the 20th November, 2014 to close Aberllechau Primary School on the 31st December, 2014.
- Call-in 7 referred to Nursery Provision
 - Considered by the Education & Lifelong Learning Scrutiny Committee on the 24th February, 2015 and the outcome of which was not to refer the matter back to Cabinet for reconsideration.
- Call-in 8 referred to the Music Service
 - Considered by the Education & Lifelong Learning Scrutiny Committee on the 24th February, 2015 and the outcome of which was not to refer the matter back to Cabinet for reconsideration.

- 3.6.9 The Overview and Scrutiny Committee and the four service scrutiny committees, scrutinised areas as set out in their agreed work programmes for the year 2014/15.
- 3.6.10 A Scrutiny Annual Report summarising the work undertaken during 2013/14 was reported to Council on 29th October 2014 ([O&S Annual Report 2013/14](#)). Whilst the report related to the financial year previous to this governance statement, it highlighted some key areas where scrutiny added value to the Council but also identified areas where improvement in scrutiny could increase accountability.

RECOMMENDATION

In order for the outcomes of the annual scrutiny report to ‘feed’ the year that directly follows, then the Scrutiny annual report should be presented earlier in the municipal year.

Develop and maintain an effective Audit Committee

- 3.6.11 Revisions were made to the membership of Audit Committee in line with the Local Government (Wales) Measure 2011 during 2012 which resulted in the appointment of a layperson to the committee who was subsequently appointed as Chairperson. This arrangement remained in place during 2014/15. The Council’s Audit Committee met on 8 occasions during the 2014/15 Municipal Year.
- 3.6.12 The Audit Committee made specific recommendations throughout the year based on information presented. The key recommendations were:
- That the 2014/15 Annual Governance Statement be certified by the Chief Executive and Leader of the Council.
 - Reviewed and commented upon the Council’s draft financial statements prior to approval by Council.
 - Received the Head of Internal Audit Annual Report 2014/15 which provided the following overall opinion:
 - *“Based on the combination of planned and unplanned assurance and consultancy work undertaken by Internal Audit during 2014/15, and also the work undertaken by the Council’s key external regulators (Wales Audit Office, Estyn and the Care and Social Services Inspectorate Wales) I am able to state that, in my view, the system of internal control within the Council operated effectively during 2014/15 with some areas identified for improvement.”*
 - The approval of a risk based Internal Audit plan for 2015/16.
 - As part of a continued programme to develop the knowledge of audit committee members, they received briefings on Governance and the Council’s Control Environment as well as a detailed overview of the Council’s responsibilities relating to Information Management.
 - The Audit Committee received the Council’s revised Strategic Risk Register and the Risk Management Toolkit – which members subsequently requested be circulated to all members of the Council in order to raise awareness.

RECOMMENDATION

In accordance with the Terms of Reference for Audit Committee, Audit Committee will receive regular updates on how the recommendations contained within the 2014/15 Annual Governance Statement are being managed.

Arrangements to safeguard elected councillors against conflicts of interest

- 3.6.13 For all committee meetings held, a standard agenda item for each meeting is 'Declarations of Interest', whereby members of the committee declare any personal interests in accordance with the code of conduct.
- 3.6.14 One instance of a Member not declaring a potential conflict occurred during 2014/15 and this was referred to the Standards Committee (in accordance with its Terms of Reference). The outcome of which resulted in the Member being suspended for a period of six months

Embedding risk management into the culture of the Council

- 3.6.15 The Council has in place a range of processes and procedures to identify, manage and mitigate risk as far as is reasonably practicable in the delivery of its services. These include asset, financial, human resource and performance management arrangements together with an Internal Audit function.
- 3.6.16 The Council's Risk Management Strategy sets out the overall purpose and framework of risk management within the Council. It provides an overview of the regulatory requirements and also describes the Council's approach to risk management – it provides a clear steer when it comes to strategic and operation risk management. Strategic risks are those risks that could impact on the Council's ability to deliver its priorities. Operational risks are those which could impact on a services' ability to achieve objectives set out within business plans.
- 3.6.17 Work to devise the strategic risk register along with developing the reporting arrangements of the strategic risks took place during the compilation of the Council's priorities for 2014/15.
- 3.6.18 Strategic risks are now embedded into the reporting arrangements of quarterly performance reports and quarterly updates are received from risk owners to provide an overview of the work that has taken place during the quarter to manage the risks along with a review of the risk ratings. At this stage the identification of any new or emerging risks is discussed.
- 3.6.19 The inclusion of the strategic risks into the quarterly performance reports is considered a positive step forward; it places the risks at the forefront of the readers mind when considering the overall delivery of priority plans. However the qualitative information that is provided could be strengthened further.

RECOMMENDATION

More detailed information in respect of actions taken to manage strategic risks should be incorporated into the quarterly performance reports.

3.7 **Developing the capacity and capability of members and officers to be effective**

3.7.1 The Council aims to ensure that Members and employees of the Council have the skills, knowledge and capacity they need to discharge their responsibilities and recognises the value of well-trained and competent people in effective service delivery.

Elected Councillor Training & Development

3.7.2 The Authority has in place a Member Development Strategy which has been adopted by the Democratic Services Committee. The Strategy aims to demonstrate the Council's commitment to Member development and highlights that Members have the ability to determine their own unique path of learning throughout their terms of office, by ensuring continual dialogue with officers responsible for delivering and facilitating learning opportunities.

3.7.3 Together with the criteria as set by the Welsh Local Government Association, the Strategy is used as a tool for maintaining the Advanced Charter in Member Support Wales. The Authority attained the first level of the Charter in 2007 and the Advanced Charter in 2010. At the Council meeting held on 25th June 2014, a joint report from the Director of Human Resources and the Democratic Services Manager informed them that the Council had been awarded the Good Practice and Innovation Award for Member Support and Development by the WLGA.

3.7.4 Members are consulted on an annual basis on development opportunities that may be incorporated into the 'Elected Member Development Programme'. The programme aims to include a diverse range of courses for members.

3.7.5 Training sessions for Members were delivered in a range of ways from formal sessions to one-to-one sessions.

3.7.6 Personal Development Reviews (PDR) are the way for a Member and/or officer to mutually assess a Member's personal development needs (set within the context of the role of the Member), his/her aspirations for what he/she hopes to achieve, the purpose and aspirations of the Council and the needs of the Community.

3.7.7 The purpose of the PDR is to enable Members to build confidence, develop skills and knowledge and improve their own performance and contribution to the Council and the community.

3.7.8 All Members and co-opted Members to other Committees such as Overview and Scrutiny have a Role Description and are given the opportunity to undergo a PDR.

3.7.9 PDRs are not performance reviews or appraisals or indeed an assessment of how well or how badly a Member has conducted their duties. It is purely a review of training and development needs and is held in the strictest of confidence between the reviewer and the reviewee.

Workforce Development

- 3.7.10 The Council has a Workforce Development Strategy that aims to ensure it develops a motivated, appropriately skilled, diverse and outward-looking workforce capable of delivering high quality services to the community it serves. Workforce planning also formed a key part of the Council's Medium Term Service Planning priority area.
- 3.7.11 To support the Workforce Development strategy, a Managing People and Performance Managers Guide and a separate Employee Booklet are in place. These documents aim to support managers and employees to get the most from workforce development discussions via a performance focused, flexible approach. The Human Resources Service is working to help ensure these processes are embedded into the culture of services.
- 3.7.12 A range of training and development activities have taken place during the year together with specific initiatives to develop the workforce over the longer term.
- 3.7.13 With continuous demands put on the Council to deliver high quality services to the community, with ever diminishing resources, there has never been a more pertinent time to focus upon workforce development.
- 3.7.14 Changes to structures, staffing and the ways in which services are delivered presents a number of challenges to ensure that all employees know what it is they need to be doing, are well equipped to deliver in their role, have the capabilities and management support to do so, and are motivated to perform effectively.
- 3.7.15 The situation also presents a challenge to management as they, and their employees, face either the prospect of service change, are going through service change, or are managing the consequences of service change.
- 3.7.16 The launch of the Council's approach to Managing People and Their Performance in 2012 aimed to support the Workforce Development Strategy. It provides direction to managers, resources and advice on developing a performance focused approach whilst communicating responsibilities and rights when it comes to managing performance.
- 3.7.17 Human Resources has worked with a number of areas to communicate and develop the approach, and have developed and delivered learning opportunities, briefings and coaching to support managers, teams and employees. The demand for development in areas such as 'having effective performance conversations', 'change management', 'conflict resolution' and 'managing capability' was high.
- 3.7.18 Coupled with this are the effects of the service changes on managers and employees – whether actual or expected. Managers are managing more and more complex circumstances, including conflict within teams, mental health issues, attendance and low morale. To support this, Human Resources has provided coaching and developed bespoke programmes to support management teams through change, incorporating subjects such as having effective conversations, personal resilience, maximising attendance and dealing with

'survivor syndrome'. This also presents a challenge to Human Resources as it responds to more and more complex requests.

3.7.19 The challenge for the Council moving forward is improving management understanding and getting sustained commitment to Workforce Development and Managing Performance. Human Resources continue to support managers and develop ways in which to communicate advice and guidance out to all employees – including the development of a range of e-learning modules for managers and staff to be launched in May 2015.

3.7.20 Often, communication with Human Resources only occurs after events have taken place – when the change has happened, or when the capability is a long-term problem. The challenge is changing the culture to involve Human Resources earlier in the process to support the process and help diminish the potential consequences (pro-active rather than reactive).

Statutory officers have the skills, resources and support necessary to perform their roles effectively

3.7.21 Business and budget planning arrangements ensured that necessary resources and plans were in place to meet the responsibilities of statutory officers. This included the resource levels to maintain robust financial management arrangements and the timely closure of accounts.

Ensuring an organisation structure is in place to encourage development

3.7.22 The Council's approach to Managing People and Their Performance communicates to managers and employees the need to be engaging in effective performance conversations at individual and team level, to encourage effective performance, discuss and improve under-performance, communicate team and Council objectives and changing priorities, and identify strengths and areas for development.

3.7.23 In a challenging and rapidly changing environment where resources are minimised and efficiencies are sought and where priorities and objectives change, the concept of development may seem off-limits. To respond to the challenges we face, and ensure all employees are confident and capable within their roles, development needs are more pertinent than ever.

3.7.24 Effective organisational design facilitates effective communication between managers and employees, so that discussions about development, in line with the managing people and their performance framework can take place. A wide range of support and expertise is in place to ensure that learning and development needs are addressed in the most cost effective and targeted way.

3.7.25 Approaches such as apprenticeship programmes, graduate programmes and supporting Welsh Government initiatives such as Jobs Growth Wales enable the Council to ensure that capacity and capability for the future are sustained despite ongoing changes in the organisational structure. In addition continuing expansion of work experience placements and targeted interventions for specific categories of young people (such as the 'step in the right direction' programme for young people leaving care) provide a range of opportunities to build organisational

capacity whilst supporting the Council to address worklessness within the County Borough.

3.7.26 There is strong evidence of effective succession planning in many parts of the organisation and this is an area that can be built upon and enhanced. The WAVE programme, supported by Human Resources will place a particular emphasis on enhancing mechanisms to support women in the workforce.

3.8 **Engaging with local people and other stakeholders to ensure robust public accountability**

3.8.1 When the Council consults with the public or other stakeholders on any issue, including service changes, it is important that the process is efficient, effective and lawful. When consulting, the Council takes account of a number of documents when planning and delivering consultation and engagement, including;

- An internal guidance document on service change consultation requirements.
- The National Principles for Public Engagement in Wales (Participation Cymru)
- A Joint Public Engagement Strategy for Rhondda Cynon Taf and Merthyr Tydfil Local Service Boards
- The Children and Young People Participation Standards
- The Council's Welsh Language Scheme
- The Public Sector Equality Duties

3.8.2 The Council has endorsed the National Principles for Public Engagement in Wales. The principles and standards have been developed and endorsed by the Welsh Government to make sure that participation happens in consistent and effective ways.

Consultation activity during 2014/15

3.8.3 In 2014/15 the Council undertook a wide range of consultation:

- Consultation(s) in relation to the Council's service change proposals.
- Annual Budget Consultation
- Service Change, Member led drop In sessions and workshops with school councils across the Borough
- Leader Engagement Events
- Improved engagement with Older People, through an SLA with Age Connect Morgannwg

3.8.4 Results of specific consultation activities were reported to service managers and where appropriate the reports were fed back to the Council's Corporate Management Team and/or Cabinet. For example, the results of the Council's annual revenue budget consultation process and the service change consultations were reported to Cabinet. The feedback received during the consultations for service changes were presented to Cabinet to inform the decision(s) made.

- 3.8.5 On the 24th May 2014, the decision made by Cabinet (8th January 2014) in respect of changes to nursery provision was quashed following a legal challenge. Following consideration of the findings of the legal ruling, the Cabinet decided to consult again on amended proposals for the provision of nursery funding during autumn 2014.

Learning from 'others'

- 3.8.6 During the consultation period for the service change proposals associated with the funding of Nursery Education provision and changes associated with the Council's Music Service, judgment was given in the case of Moseley v Haringey LBC by the Supreme Court (the 'Moseley Case'). The Moseley case involved issues concerning common law consultation principles. In response to the Moseley judgment, and the Council's interpretation of its outcome, the Council extended the consultation period and provided consultees with additional information about the service change proposals. Specifically consultees were provided with the detail of the alternative options considered by Cabinet in addition to the preferred option it consulted on. This information was provided by way of a supplementary information leaflet to the original consultation 'pack'. The Council also undertook a series of engagement events associated with the service change proposals consulted upon which were attended by senior officers from the relevant service departments together with Cabinet Members.

Public Engagement

- 3.8.7 During 2014/15 the Council adopted a new approach to engaging with citizens and stakeholders. A series of public engagement events aimed at increasing accountability with the opportunity to directly meet and challenge the Council's Leader, the Cabinet as well as some of the Council's senior officers around the issues that are important to them took place and they are due to continue in 2015/16.
- 3.8.8 In addition to the public engagement events, the Council launched '[RCT Together](#)' during March 2015. 'RCT Together' forms the Council's new approach to engaging with its residents and communities about how they can work together to explore alternative delivery models, which could maintain services and facilities in the future.
- 3.8.9 RCT Challenge 'Opportunities in your community' took place on the 27th March.
- 3.8.10 Under the Cwm Taf Collaboration Board, partners developed a Joint Public Engagement Strategy. The Strategy is underpinned by the National Principles of Public Engagement in Wales.
- 3.8.11 Adoption of the strategy represents a commitment by all partners that make up the Local Service Boards to build on public engagement in the design, delivery and implementation of services.

Publication Scheme

- 3.8.12 To help ensure robust public accountability the Council also has a Publication Scheme which is issued in accordance with its responsibilities under the Freedom of Information Act 2000.

4 Group Companies

- 4.1.1 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.
- 4.1.2 The directors of the companies are responsible for ensuring there are sound governance arrangements including a robust system of internal control.
- 4.1.3 The Council removed the “arms 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.
- 4.1.4 During 2014/15, there have been no significant governance issues that have been identified by the Amgen Company directors, internal auditors or external auditors. The company will however, need to respond to the way in which Rhondda Cynon Taf County Borough Council manages its residual waste.

5. Pension Fund

- 5.1 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;
 - Statement of Investment Principles which details how Fund investments are managed;
 - Funding Strategy Statement which provides a summary of how we will fund our pension liabilities.

All of these documents can be found at the following link:

www.rctpensions.org.uk

- 5.2 The Public Service Pensions Act 2013 introduces a number of changes to public service pension schemes, including some significant changes for the governance of such schemes. One key change is the requirement for each scheme manager in the Local Government Pension Scheme to create a local Pension Board and for its establishment, composition and terms of reference to have been approved by the 1st April 2015.

- 5.3 Internal Audit undertook a review of the preparatory work undertaken in readiness for the establishment of a Pension and concluded:
“The preparatory arrangements in relation to the establishment of a Pension Board are considered to be effective.”

Assurance Summary

The Council's governance arrangements throughout 2014/15 have helped the delivery of key services to our citizens. Our external regulators and internal quality assurance systems have identified robust systems of control and areas of good practice. They have however; identified areas for improvement and strengthening and we are committed to embracing their recommendations and observations.

We propose over the coming year to take steps to address the recommendations of our external regulators and also ensure that the recommendations identified within this annual governance review are monitored (by the Audit Committee) and implemented. The Council is committed to enhancing its governance arrangements further.

Based on the review, assessment and on-going monitoring work undertaken during 2014/15 we have reached the opinion that sound governance arrangements are in place, key systems are operating as intended and that there are no fundamental weaknesses.

Leader

Chief Executive

Summary of recommendations:

Ref.	Recommendation
AGS 1	The Council should ensure that 'Education' remains a priority for 2015/16. The priority action plan should (amongst others things) aim to address the outcomes of the Estyn Report dated 1 st August 2014.
AGS 2	The Council should ensure that services delivered to adults and children across the County Borough remain priorities for 2015/16. The priority action plan(s) should (amongst others things) aim to address the areas for improvement raised within the CSSIW Annual Report.
AGS 3	<p>From a review of the arrangements applied for the 2013/14 evaluations and taking account of Member feedback, it is recommended that:</p> <ul style="list-style-type: none"> • The draft 2014/15 performance evaluations and draft 2015/16 priority plans are considered together by scrutiny working groups; • A draft 2015 Combined Performance Plan should be produced (based on the performance evaluations and priority plans) for publication and presented to an Overview and Scrutiny Committee for consideration • Following consideration by the Overview and Scrutiny Committee, a final draft Combined Performance Report should be presented to Council and used to fulfil the Council's statutory responsibilities as set out within the Local Government (Wales) Measure 2009.
AGS 4	<p>An annual complaints and compliments report should be prepared for 2014/15 that relates to 'all other' Council business (i.e. with the exception of Social Services complaints which is covered by separate, statutory responsibilities).</p> <p>The report should be presented early during 2015/16 to Cabinet and then at the relevant scrutiny committee. The report should aim to identify where (if) changes in service provision have occurred due to feedback provided.</p>
AGS 5	In order to provide a more timely 'look back' at the year to which the social services annual complaints report relates, the report relating to 2014/15 should be prepared and presented for scrutiny as early during 2015/16 as practicable. Reporting earlier will ensure that any lessons learnt are formerly identified,

	actioned, scrutinised and monitored during the financial year that follows.
AGS 6	In order for the outcomes of the annual scrutiny report to 'feed' the year that directly follows, then the Scrutiny annual report should be presented earlier in the municipal year.
AGS 7	More detailed information in respect of actions taken to manage strategic risks should be incorporated into the quarterly performance reports.
AGS 8	In accordance with the Terms of Reference for Audit Committee, Audit Committee will receive regular updates on how the recommendations contained within the 2014/15 Annual Governance Statement are being managed.