

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2015/16

COMMITTEE:

AUDIT COMMITTEE

3rd May 2016

Item No. 5
Draft Annual Governance Statement 2015/16 – 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 the Council's draft Annual Governance Statement for the financial year 2015/16.

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 draft 2015/16 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 2015/16 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’ describes the arrangements in place, challenges their effectiveness and where appropriate provides recommendations for improvement. Members will hopefully see a clear link 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 members of the Annual Governance Statement Working Group that comprise a cross section of Council officers and includes one elected 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 been reviewed by the Council’s Section 151 Officer.

3.7 Based on the review by the Working Group and Section 151 Officer, it

is concluded that there are no Significant Governance Issues to report; however, a number of recommendations have been identified that will help further improve the Council's governance arrangements. These are set out in Table 1 below.

Table 1 – Recommendations

AGS Section	Recommendation
3.3.18	<p>Although the Council made arrangements for its draft Corporate Performance Report 2015/16 to be scrutinised by elected Councillors prior to approval, an associated summarised version was also produced but was not scrutinised prior to publication.</p> <p>To ensure that future summary Corporate Performance Reports are tested for, amongst other things, fairness, balance and factual accuracy, the Council should make arrangements for its scrutiny function to review and challenge their content prior to publication.</p>
3.3.18	<p>The Council has clearly set out its arrangements for the monitoring and reporting of the three priorities (People, Place and Economy) within its Corporate Plan. However, the Corporate Plan also contains a cross-cutting priority, Living Within Our Means, and the Council should set out how progress is to be monitored for this area of work.</p>
3.3.20	<p>The Council should formalise its arrangements for the notification and monitoring of WAO recommendations so that elected Members, Council officers and external stakeholders are fully aware of and understand the process</p>
3.3.24	<p>The Council should build on the positive work undertaken through 'RCT Together' by evaluating the impact of its work to date, including specific engagement with those groups that are now delivering services / activities from facilities previously operated by the Council.</p>
3.6.19	<p>The consideration of strategic risks in parallel with performance is a positive step taken by the Council. However, the comprehensive nature of the Council's quarterly Performance Report may result in key messages around strategic risks being missed. Therefore, the Council should re-consider where and how strategic risks are reported to ensure they have appropriate coverage and scrutiny.</p>

4. SUMMARY

- 4.1 Based on the work of the AGS Working Group and review by the Council's Section 151 Officer, no Significant Governance Issues have been identified for 2015/16. However, a number of recommendations have been reported that will support the Council to further reinforce its governance arrangements.

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
3rd May 2016

Report of the Group Director for Corporate and Frontline Services

Author: Marc Crumbie (Operational Audit Manager).

Item	File Ref:
5. Draft Annual Governance Statement 2015/16	IA / MC

Contact Officer: Marc Crumbie,
Operational Audit Manager
Bronwydd House
Porth
CF39 9DL
Tel. No. (01443) 680779

This page intentionally blank

RHONDDA CYNON TAF

ANNUAL GOVERNANCE STATEMENT

1.	Scope of Responsibility
-----------	--------------------------------

- 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 and 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 2016.

2.	The Purpose of the Governance Framework
-----------	--

- 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 2016 (and up to the date of approval of the 2015/16 annual Statement of Accounts).

3.	The Governance Framework
-----------	---------------------------------

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 2016. The Council's 'review of effectiveness' describes the arrangements in place, challenges their effectiveness and where necessary provides recommendations for improvement. In addition, before setting out the 2015/16 review, an up date on the implementation of recommendations made within the 2014/15 AGS is shown in Table 1 below.

Table 1 – Progress made on implementing recommendations within the 2014/15 AGS

2014/15 AGS Recommendation Made	Progress made during 2015/16
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.	Education remained a Council priority during 2015/16, a central element of which were actions to address the Estyn Report

2014/15 AGS Recommendation Made	Progress made during 2015/16
<p>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.</p>	<p>Adult and Children's Services remained a Council priority during 2015/16, central elements of which were actions to address the CSSIW Report</p>
<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. 	<p>Implemented.</p>
<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>	<p>Work in respect of this report is ongoing.</p> <p>There have been issues in relation to the correlation of the records required for this report and it is anticipated that these will be resolved during 2016/17.</p>

2014/15 AGS Recommendation Made	Progress made during 2015/16
<p>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.</p>	<p>The 2014/15 Annual Report was presented to Cabinet one month earlier than the previous year. Similarly, following review by Cabinet, the report was also scrutinised by the relevant scrutiny committees one month earlier than the previous year.</p>
<p>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.</p>	<p>The draft Annual Scrutiny Report for 2015/16 was reported to the Overview and Scrutiny Committee on the 20th April 2016. Elected Member feedback received at this meeting will be incorporated into a final version of the annual report before being presented to the Council's AGM in May 2016.</p>
<p>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.</p>	<p>Implemented – Audit Committee meeting held on 7th December 2015.</p>
<p>More detailed information in respect of actions taken to manage strategic risks should be incorporated into the quarterly performance reports.</p>	<p>Incorporated into the Council's quarterly Performance Reports during 2015/16.</p>

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 ([SIP](#)). 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": "*People in Rhondda Cynon Taf are safe, healthy and prosperous.*"
- 3.3.3 The Single Integrated Plan is used as a strategic driver for the Council's Corporate Performance Report¹ and helps inform the the University Health Board's corporate priorities and the Police & Crime Commissioner's Crime Reduction Plan.

Single Integrated Plan – Annual Report

- 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'.
- 3.3.5 Due to changes regarding the partnership structures and the preparatory work for the Wellbeing of Future Generations (Wales) Act 2015, a review of the Single Integrated Plan was undertaken for the period March 2014 - March 2016.
- 3.3.6 The Review of the Single Integrated Plan 2014-16 was approved by the Local Service Board in April 2016. The review evaluated the impact that "Delivering Change" has had during 2014-16, as follows:
- *The Single Integrated Plan has provided a strategic focus to partnership working.*
 - *Although in most cases, it cannot be directly attributable solely to the work of the local partner organisations, some improvements have been seen with regards to population measures e.g. smoking rates; teenage conceptions; qualifications gained and educational attainment.*
 - *The continuation of excellent partnership relationships in Rhondda Cynon Taf have led to a number of collaborative initiatives, such as the Cwm Taf Multi-Agency Safeguarding Hub (launched in May 2015) and the 'Housing and Health Action Areas' project.*

¹ Corporate Performance Report – a public document produced annually and approved by the Full Council of RCTCBC each year, setting out an assessment of performance for the previous year and priorities for the financial year ahead

- *Many of the priorities included in the Single Integrated Plan will take generations to change the population measures associated with them. However, since 2013 and the publication of 'Delivering Change', partnerships have grown stronger across the region and the next 5-10 years offer opportunities in how we work together and challenge each other to achieve the best outcomes possible.*

3.3.7 In its 'forward look', the Review of the Single Integrated Plan 2014-16 focussed on the preparatory work required for the Wellbeing of Future Generations Act and other relevant Welsh Government legislation, including the changing strategic partnership landscape, a different way of working together and with communities, work required to undertake assessments of wellbeing for the area and the requirement to produce a 'Wellbeing Plan' by April 2018.

3.3.8 During 2015/16, members of both the Merthyr Tydfil and Rhondda Cynon Taf Local Service Boards agreed a mandate to review the effectiveness and governance of partnership delivery structures, with recognition of the upcoming requirements to establish a Public Services Board, as set out in the Wellbeing of Future Generations (Wales) Act 2015. The outcomes for this piece of work were:

- Improved, sustainable and clear governance arrangements with appropriate accountability and clarity;
- Sustainable, effective meeting structures with appropriate attendance at the right level required to deliver outcomes; and
- Identification of collaborative opportunities and efficiencies or potential savings.

3.3.9 Initially, this review was focussed on strategic partnerships i.e. Local Service Boards and the Cwm Taf Regional Collaboration Board; community safety; public protection / safeguarding and mental health. A small working group has undertaken the key tasks of the review, including: studying exact legislative requirements, considering the best commissioning arrangements, looking at ensuring governance and accountability, and encouraging innovation; with the overall aim of streamlining the existing partnership meeting structure so it is effective and sustainable.

3.3.10 As a result, members of both Merthyr Tydfil and Rhondda Cynon Taf Local Service Boards (LSBs) have agreed to the establishment of one Cwm Taf Public Service Board from the 1st April 2016, which will replace both LSBs and the Cwm Taf Regional Collaboration Board. Other strategic partnerships have also been streamlined and agreed to merge across the region in future.

3.3.11 The Cwm Taf Public Services Board (PSB) will be a merged Public Services Board, covering the areas of Merthyr Tydfil and Rhondda Cynon Taf (RCT). The PSB will aim to act as the principal strategic leadership forum for the planning, commissioning and delivery of public services across organisational boundaries to achieve better outcomes for the people of Cwm Taf. It will seek to understand the major issues faced by each partner organisation, to become a more transparent Board through publishing data and performance, and will aim to deliver a preventative agenda.

- 3.3.12 The PSB is required to publish an assessment, on the state of wellbeing of the area it covers, by April 2017. The PSB will use the assessment (and the knowledge / expertise of the Board members) to agree joint objectives that contribute to the seven national wellbeing goals within the Wellbeing of Future Generations (Wales) Act 2015. The PSB must set out these objectives and the steps they will take to meet them in a Wellbeing Plan by April 2018.
- 3.3.13 '*Delivering Change*' continued to be the strategic document for the Local Service Board (and the Council) during 2015/16.

Setting Rhondda Cynon Taf County Borough Council's Priorities

2015/16

- 3.3.14 In accordance with the underpinning guidance set out in the Local Government (Wales) Measure 2009, the Council produced a 'Corporate Performance Report 2015/16'. The steps taken to produce this document were:
- Draft evaluations of performance for 2014/15 and six draft priority plans for 2015/16 were considered by scrutiny working groups; and
 - The abovementioned documents were used to produce a draft 'Corporate Performance Report 2015/16' that was scrutinised by the Finance and Performance Scrutiny Committee on the 15th June 2015 ([Link to document](#)) and then approved by Council on 24th June 2015 ([Link to document](#)).

In addition, the Council also produced a Summary version of the 'Corporate Performance Report 2015/16' ([Link to document](#)) but this was not subject to scrutiny prior to being published.

- 3.3.15 During 2015/16 the Finance and Performance Scrutiny Committee received quarterly updates on the Council's financial and operational performance, including progress reports on its six priority areas.

2016/17 Onwards

- 3.3.16 During 2015/16, the Council consulted on and agreed a document called 'Corporate Plan 2016 – 2020' that set out its vision over the medium term that includes three priorities, People, Place and Economy, plus an overarching priority of Living Within Our Means.
- 3.3.17 As part of the above process, a draft document was subject to a period of public consultation and scrutiny by the Finance and Performance Scrutiny Committee (on 15th June 2015), before a final version was approved by Council on 24th February 2016 ([Link to document](#)).
- 3.3.18 In addition, although the Council has put in place clear arrangements for the monitoring of its priorities for People, Place and Economy, further clarity is

needed around how it intends to report up dates in respect of Living Within Its Means.

RECOMMENDATIONS

- Although the Council made arrangements for its draft Corporate Performance Report 2015/16 to be scrutinised by elected Councillors prior to approval, an associated summarised version was also produced but was not scrutinised prior to publication. To ensure that future summary Corporate Performance Reports are tested for, amongst other things, fairness, balance and factual accuracy, the Council should make arrangements for its scrutiny function to review and challenge their content prior to publication.
- The Council has clearly set out its arrangements for the monitoring and reporting of the three priorities (People, Place and Economy) within its Corporate Plan. However, the Corporate Plan also contains a cross-cutting priority, Living Within Our Means, and the Council should set out how progress is to be monitored for this area of work.

3.3.17 In addition to the ‘internal’ scrutiny of performance, the Council is also subject to external inspection from its regulatory bodies, namely the Wales Audit Office, Estyn and the Care and Social Services Inspectorate Wales (CSSIW). These regulators focus on the work undertaken across the Council and link directly with some of the Council’s priorities. The following work has been undertaken by regulators during 2015/16:

Wales Audit Office

3.3.18 ISA260 Report - The Audit of Financial Statements Report (2014/15) was presented to the 30th September 2015 Council meeting. 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 2015 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 2014-15.*

3.3.19 Improvement audit and assessment 2015/16 – the following work has been undertaken:

Area	Status / Outcome
Improvement Plan audit	Certificate of compliance issued
Assessment of Performance audit	Certificate of compliance issued

Area	Status / Outcome
Governance review - Review of the Council's strategic approach to asset management	Report published and reported to Audit Committee on 31 st March 2016. Overall conclusion reported was: <i>The Council has begun to engage its communities in taking a proactive approach to the future management of its assets, but there is scope to strengthen performance reporting arrangements to better support oversight and decision making in relation to asset management</i>
Financial management review	Work has been completed / being finalised for each review and reports are in the process of being prepared
Governance review - Review of decision-making arrangements in relation to service change proposals	
Performance management review - 'Review of the Council's arrangements for managing improvement	
Annual Improvement Report	
<u>Follow up work from 2014/15</u>	
Local authority arrangements to support safeguarding of children	Work has been completed / being finalised for each review and reports are in the process of being prepared
Good Scrutiny? Good Question? Auditor General for Wales improvement study: Scrutiny in Local Government	

3.3.20 Where the WAO have published reports in respect of the Council, the Council has in the last quarter of the financial year reported these to Audit Committee and will refer to a Scrutiny Committee(s) where deemed relevant. However, the Council has not formally set out its arrangements for the notification and subsequent monitoring of recommendations made by the WAO.

RECOMMENDATION

The Council should formalise its arrangements for the notification and monitoring of WAO recommendations so that elected Members and officers are fully aware of and understand the process.

Estyn - There was no specific work undertaken by Estyn at the Council during 2015/16 other than routine termly catch up visits.

Care and Social Services Inspectorate Wales

- 3.3.21 Annual Council Performance Evaluation Report 2014/15 - The CSSIW Annual Performance Report 2014/15 was reported to the Children & Young People Scrutiny Committee on 21st December 2015. Although not in relation to 2015/16, this is the latest published report for this regulator ([Link to document](#)).

Working in collaboration

- 3.3.22 In the current austere climate within which the Council operates, the potential benefits of working collaboratively with partners could be an avenue by which the Council continues to provide quality services to its citizens. In March 2015, a new way of working with partner organisations, the voluntary sector and community groups was launched called 'RCT Together'. The approach set out a new way of engaging with the community on the challenges of public service delivery, and working with communities and the voluntary sector to explore alternative models of service delivery for maintaining services and facilities.
- 3.3.23 During 2015/16, the approach delivered a number of 'transfers', for example, Maerdy Library to a community group, 'Friends of Ferndale', who transformed their facility into a Community Hub; the Muni Arts Centre in Pontypridd, which is now run through a community enterprise; and Abercynon Paddling Pool. Case studies of the approach are available here: [Case studies](#).
- 3.3.24 The processes linked to 'RCT Together' have been refined during the year to help ensure they remain fit for purpose. This has included launching a 'Community Enabling Fund' that allowed community groups to access up to £10,000 of grant funding linked to service or asset transfer. A Voluntary Sector Liaison Steering Group was also established, Chaired by an RCT Cabinet Member, and made up of representatives of the voluntary sector that provide support to community groups and third sector organisations e.g. Interlink RCT, Coalfields Regeneration Trust.

RECOMMENDATION

The Council should build on the positive work undertaken through RCT Together by evaluating the impact of its work to date, including specific engagement with those groups that are now delivering services / activities from facilities previously operated by the Council.

- 3.3.25 During 2015/16 the Council also worked in partnership with a number of organisations to deliver services, for example, Central South Consortium Joint Education Service and the Cwm Taf Safeguarding Board. In addition, the Cwm Taf Multi Agency Safeguarding Hub was launched in May 2015, the Welsh Government Intermediate Care Fund has led to a number of joint health and social care projects and a Joint Commissioning Statement for Older People's Services 2015-25, produced in collaboration with Merthyr Tydfil Council, Cwm

Taf University Health Board and the third sector. The Vale, Valleys and Cardiff Regional Adoption Collaborative was also launched in June 2015.

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 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.

3.4.4 Forward work programmes for Cabinet, Overview and Scrutiny Committee and Scrutiny Committees are available on the Council's internet site. However, at the Overview and Scrutiny Committee of the 29th July 2015, the Committee expressed that it was difficult to fully and effectively plan due to items considered by Cabinet not always being published in advance in a work programme. As a result the Cabinet Member for Council Business attended the Overview and Scrutiny Committee of the 18th November 2015 to acknowledge Scrutiny's concerns and, with the support of the Council Leader, provided assurance that improvements would be made to Cabinet work programming (to amongst other things support the engagement of scrutiny). Potential items for future consideration are now included in Cabinet Reports with the aim of informing pre-scrutiny. For 2016/17, status updates on the development of Executive business will be made available on the Council's website.

3.4.5 The Council's Chief Executive (as Head of Paid Service) leads the Council's officers and chairs the Council's Senior Leadership Team. The Council's Chief Executive retired in September 2015 and an interim Chief Executive is currently in post.

3.4.6 During 2015/16 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. Up dates to the General Scheme of Delegation of Executive and Non-Executive Functions was reported to Cabinet on 17th March 2016. The Council will need to ensure that appropriate support and guidance is in place for officers and elected Members as part implementing the up dated arrangements.

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 continued to have designated 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. A revised format was introduced for the year, following consultation with the Finance and Performance Scrutiny Committee, that aimed to further improve and 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). Rhondda Cynon Taff County Borough Council is required to agree, publish and maintain an annual Schedule of Member Remuneration, which sets out details of the specific payments that it intends to make to Elected Members and Co-opted Members in accordance with the levels of remuneration and allowances determined by the Independent Remuneration Panel for Wales.
- 3.4.10 The Schedule of Member Remuneration provides details of the remuneration of Councillors through the payment of a Basic, Senior or Civic Salary and fees

which are payable to statutory Co-opted Members. The Schedule of Member Remuneration also provides details of the Care, Travel and Subsistence Allowances which are payable to Councillors and statutory Co-opted Members.

- 3.4.11 The details of all remuneration and allowances paid annually by the Council to each Councillor and Co-opted Member are published on the [Council's Internet site](#) following the end of each financial year and in any event by 30 September.
- 3.4.12 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.
- 3.4.13 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 draft Statement of Accounts for 2015/16.

School Governors

- 3.4.14 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'.
- 3.4.15 The Council offers a Service Level Agreement for governor support services and 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).
- 3.4.16 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 & Procedure
- 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 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.

Defined standards of behaviour for officers

3.5.6 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.

- 3.5.7 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

- 3.5.8 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

- 3.5.9 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).

- 3.5.10 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).

- 3.5.11 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 2015/16 one case was investigated (no maladministration found and the case was closed by the Ombudsman) and 15 were referred back to the Council by the Ombudsman.

- 3.5.12 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; and
- Challenge decisions.

- 3.5.13 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.

- 3.5.14 The [Social Services Annual Complaints Report 2014/15](#) was presented to Cabinet on 24th September 2015. The annual report outlines some of the lessons learned as a result of stage one complaints and the practice recommendations

arising from stage two complaints. Implementation of the recommendations is monitored by the Complaints Team.

- 3.5.15 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.'
- 3.5.16 In addition to the annual report, the Representations & Complaints Unit provides the Corporate Parenting Board with quarterly reports that provide 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).
- 3.5.17 No quarterly update, providing information relating to Adults Services is provided / reported to any forum at present, however complaint reporting will feed in to a wider 'Quality Assurance Framework' during 2016/17 which will identify priority areas for improvement across Adult's and Children's Services.

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, 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 2015 in readiness for the 2015/16 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.
- 3.6.4 At the Council's Annual General Meeting held on 20th May 2015, a report was presented entitled '[Proposed Scrutiny Structure](#)'. The report provided Members with a proposed Scrutiny Committee Structure that intended to support the Council in developing a more outcome focussed approach to its scrutiny arrangements. The proposed scrutiny structure was as follows:
- Overview and Scrutiny Committee;

- Finance and Performance Scrutiny Committee;
- Public Service Delivery, Communities and Prosperity (and Crime and Disorder);
- Children and Young People; and
- Health and Well-Being.

3.6.5 The report concluded:

“The Council has a well established scrutiny structure that has supported its scrutiny function in making positive contributions to service delivery over a number of years.

More recently, the changing financial and legislative environment together with external reviews of scrutiny arrangements across public services in Wales are providing a clear driver for local government to improve its approach in this area.

Rhondda Cynon Taf acknowledges this, has recognised where it needs to improve and is in the process of addressing a number of these areas.

The proposed revision to the Scrutiny Structure whilst only one element of a larger programme of work, will provide a sound platform to support the Council in developing a more outcome focussed approach to its scrutiny arrangements and at the same time enable the continuation of a rigorous approach to scrutiny.”

3.6.6 Since this time, each Scrutiny Committee has undertaken a review of its work during 2015/16; this has culminated in a draft ‘Overview and Scrutiny Draft Annual Report for 2015/16’ being prepared and presented to the 20th April 2016 Overview and Scrutiny Committee. The Committee provided comments on the draft document that included the need to prepare an Executive Summary and explore more customer / user feedback in their work during 2016/17. It was agreed that this information be added to the final version that is to be reported to the Council’s Annual General Meeting in May 2016.

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

3.6.7 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).

3.6.8 Where decisions were taken by Council and / or Cabinet throughout 2015/16, 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

- 3.6.9 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) object 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 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.
- 3.6.10 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.
- 3.6.11 For the 2015/16 financial year, there was 1 call-in:
- Home to School Transport: Maintaining the Existing Service but Reducing the Subsidy for Discretionary Travel – a Public Consultation on a Proposed New Policy
 - Considered by the Overview and Scrutiny Committee on the 27th May 2015, the outcome of which was not to refer the matter back to Cabinet for reconsideration.
 - On the 16th March 2016, 'A Record or urgent decision of the Leader of the Council' set out that due to stronger progress made in delivering efficiencies; a better than forecast settlement from the Welsh Government; and less challenging forecasts of future settlements, the Council now has greater financial flexibility. As a result, the Leader in consultation with Cabinet and the Senior Leadership Team, took the decision to overturn the decision taken by Cabinet on 8th September 2015 ([Link to document](#)).
- 3.6.12 The Overview and Scrutiny Committee and the scrutiny committees, scrutinised areas as set out in their agreed work programmes for the year 2015/16.
- 3.6.13 A draft Overview and Scrutiny Draft Annual Report for 2015/16', summarising the work undertaken during 2015/16, was reported to the Overview and Scrutiny Committee on 20th April 2016.

Develop and maintain an effective Audit Committee

- 3.6.14 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 2015/16. A workplan

was developed in consultation with the Chairperson of Audit Committee that aimed to assist the Audit Committee in discharging its responsibilities. The Council's Audit Committee met on 7 occasions during 2015/16.

Arrangements to safeguard elected councillors against conflicts of interest

- 3.6.15 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.

Embedding risk management into the culture of the Council

- 3.6.16 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.
- 3.6.17 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 distinction between strategic and operation risks. 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 / Delivery Plans.
- 3.6.18 Strategic risks are now embedded into the reporting arrangements of quarterly performance reports and detailed 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 consideration of strategic risks in parallel with performance is considered a positive step forward; however, given the comprehensive nature of the quarterly Performance Report, the Council should re-assess where and how the reporting of risk will have the most impact.

RECOMMENDATION

The consideration of strategic risks in parallel with performance is a positive step taken by the Council. However, the comprehensive nature of the Council's quarterly Performance Report may result in key messages around strategic risks being missed. Therefore, the Council should re-consider where and how strategic risks are reported to ensure they have appropriate coverage and scrutiny.

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 Council 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, the Advanced Charter in 2010 and has maintained this following a further review in 2014.
- 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) is one 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 not a Member has conducted their duties. It is a review of training and development needs and is held in 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.

- 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 and flexible approach. The Human Resources Service is working to help ensure these processes are embedded into the culture of services.
- 3.7.12 The Workforce Development Strategy, associated guides and support and training programmes will be key as the Council plans to improve services at the same time as managing significant on-going reductions in funding.
- 3.7.13 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 which was launched during 2015/16. These modules focussed on maximising attendance and associated people management topics. The modules were mandatory and were deployed to all managers with responsibility for managing absence.
- 3.7.14 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. Whilst there have been improvements in these communication channels, the challenge is to continue to develop the culture across the Council of involving 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

- 3.7.15 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 timely closure of accounts.

Ensuring an organisation structure is in place to encourage development

- 3.7.16 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.
- 3.7.17 In a challenging and rapidly changing environment where resources are limited and efficiencies are sought and where priorities and objectives change, the concept of development may seem off-limits. To respond to these challenges and

ensure all employees are confident and capable within their roles, development needs are more pertinent than ever.

- 3.7.18 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.
- 3.7.19 Approaches such as apprenticeship programmes, graduate programmes and supporting Government initiatives such as Get Britain Working demonstrated a forward thinking approach by the Council. 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' and care to work programmes 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.
- 3.7.20 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 2015/16

- 3.8.3 In 2015/16 the Council undertook a wide range of consultation:

- Consultation(s) in relation to the Council's service change proposals.
- Annual Budget Consultation, including town centre roadshows and a new online budget simulator.
- Improved engagement with younger people through a number of youth events and the setting up of a Youth Forum.
- Continued support for engaging with Older People, through an SLA with Age Connect Morgannwg.
- Supporting the engagement requirements of the SSWB Act.
- Supported a large range of service consultation, for example, town centres, events, tourism and regeneration.
- Consulted on the Corporate Plan.

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 Senior Leadership Team and/or Cabinet to inform decision making.

3.8.5 Increased Partnership working with joint quarterly Public Engagement Group Meetings and further development of the online partnership engagement hub – www.cwmtafhub.co.uk

Public Engagement

3.8.6 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 during 2015/16 and they are due to continue in 2016/17.

3.8.7 In addition to the public engagement events, the Council launched 'RCT Together' during March 2015 (refer to paragraph 3.3.24). 'RCT Together' forms the Council's new approach to engaging with its residents and communities through multiple channels about how they can work together to explore alternative delivery models, which could help maintain services, facilities and alternative modules of service delivery in the future.

3.8.8 Under the Cwm Taf Collaboration Board, partners developed a Joint Public Engagement Strategy with the Strategy underpinned by the National Principles of Public Engagement in Wales.

3.8.9 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

3.8.10 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 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.
- 4.2 The directors of the companies are responsible for ensuring there are sound governance arrangements including a robust system of internal control.
- 4.3 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.
- 4.4 During 2015/16, there have been no significant governance issues that have been identified by the Amgen Company directors, internal auditors or external auditors.

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 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 Pension Fund appointed a Local Pension Board to assist Rhondda Cynon Taf County Borough Council Administering Authority as 'Scheme Manger' 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.

5.3 The Pension Board is made up of two employer representatives and two member representatives.

5.4 The Rhondda Cynon Taf Pension Fund was part of the submission for an all Wales Investment Pool in February 2016. The response from the UK Government was positive and the eight contributing Welsh Funds must now submit a more detailed business case by July 2016.

Assurance Summary

The Council's governance arrangements throughout 2015/16 have helped the delivery of key services to our citizens. The Council's internal quality assurance systems have identified robust systems of control and areas of good practice. They have also identified areas for improvement and strengthening, and the Council is committed to implementing the necessary recommendations.

It is also proposed over the coming year to take steps to address the recommendations made by external regulators and ensure that the recommendations identified within this Annual Governance Statement 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 2015/16 it is concluded that sound governance arrangements are in place, key systems are operating as intended and there are no fundamental weaknesses.

Leader

Chief Executive