

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2019/20

<p>AUDIT COMMITTEE</p> <p>20th JULY 2020</p>	<p>AGENDA ITEM NO. 3</p>
<p>REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES</p>	<p>DRAFT ANNUAL GOVERNANCE STATEMENT 2019/20 – RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL</p>

Author: Paul Griffiths (Service Director – Finance & Improvement Services)

1. PURPOSE OF THE REPORT

- 1.1 The purpose of this report is to provide Members with the Council's draft Annual Governance Statement for the 2019/20 financial year.

2. RECOMMENDATIONS

In order for Audit Committee to discharge the duties as outlined in Section B¹ of its Terms of Reference, it is recommended that Members:

- 2.1 Critically review the Annual Governance Statement (**Appendix 1**), suggest any material amendments and recommend its certification by the Leader of the Council and the Chief Executive for inclusion within the Council's 2019/20 draft certified Statement of Accounts.
- 2.2 In the event that reports from relevant External Inspectors be provided to the Council before the Statement of Accounts are approved, authorise the Director of Finance and Digital Services to include reference within the Annual Governance Statement.

3. REASON FOR RECOMMENDATIONS

- 3.1 To ensure the Council's Annual Governance Statement is reviewed and approved for inclusion within the draft statement of accounts.

¹ Audit Committee Terms of Reference (Section B) - *To review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account Internal Audit's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.*

4. BACKGROUND

- 4.1. Section 3.7 of the 'CIPFA / LASAAC² Code of Practice on Local Authority Accounting in the United Kingdom' states:

'The Accounts and Audit (Wales) Regulations 2018 (regulation 5) requires 'an authority to conduct a review at least once a year of the effectiveness of its system of internal control and include a statement reporting on the review within any published Statement of Accounts'.

The preparation and publication of an Annual Governance Statement in accordance with 'Delivering Good Governance in Local Government: Framework (2016)' would fulfil the statutory requirements across the United Kingdom for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control and to include a statement reporting on the review in its Statement of Accounts'.

Delivering Good Governance in Local Government: Framework 2016

- 4.2. The main principle underpinning the Framework is that local government is continuing to develop and shape its own approach to governance, taking account of the environment in which it operates. It intends to assist authorities in reviewing their own arrangements and to do this has defined Core Principles, Supporting Principles and Sub-Principles that should underpin governance arrangements.
- 4.3. In addition, the framework recommends that Annual Government Statements do not need to describe in detail the authority's governance arrangements but should provide a review of their effectiveness in supporting planned outcomes. As such the framework positions the attainment of sustainable economic, societal and environmental outcomes as a key focus of governance processes and structures.
- 4.4. The Annual Government Statement should be signed by the leading member and chief executive on behalf of the authority, be approved at a meeting of the authority and be included within the Statement of Accounts and Annual Report (either in full or summary form) of the authority.

5. DRAFT ANNUAL GOVERNANCE STATEMENT 2019/20

- 5.1 The Council's draft Annual Governance Statement 2019/20 is provided at Appendix 1 and has been compiled in accordance with 'Delivering Good Governance in Local Government: Framework (2016)'.
- 5.2 The compilation of the draft Statement has entailed reviewing the activities in place around the Council's main governance arrangements, discussing governance arrangements with senior officers across services and taking

² CIPFA / LASAAC – the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Local Authority (Scotland) Accounts Advisory Committee (LASAAC)

account of the findings from a range of existing reports. The review has also given key regard to the impact of Storm Dennis and the start of the coronavirus pandemic.

- 5.3 Based on the review undertaken, it is considered that the Council's governance arrangements operated effectively, ensured business was properly conducted and publicly demonstrated the proper use of resources in the delivery of Corporate Plan priorities.
- 5.4 The review has also identified proposals for improvement that aim to further improve the governance arrangements in place within the Council and these are set out in Section 7 of the Annual Governance Statement.
- 5.5 Between the date of this Audit Committee and the date the 2019/20 Statement of Accounts are approved, should any (relevant) reports be provided to the Council from its External Regulators, Members are requested to provide the Director of Finance and Digital Services with authority to include reference to such reports within the Annual Governance Statement. In the event that any reports identify significant governance issues then these will be considered at a Special Meeting of the Audit Committee where the implications on the overall conclusion can be debated.

6. EQUALITY AND DIVERSITY IMPLICATIONS

- 6.1. There are no equality and diversity implications as a result of the recommendations set out in the report.

7. CONSULTATION

- 7.1 There are no consultation implications as a result of the recommendations set out in the report.

8. FINANCIAL IMPLICATION(S)

- 8.1 There are no financial implications as a result of the recommendations set out in the report.

9. LEGAL IMPLICATIONS OR LEGISLATION CONSIDERED

- 9.1 The Accounts and Audit (Wales) Regulations 2018 (regulation 5) requires an authority to conduct a review at least once a year of the effectiveness of its system of internal control and include a statement reporting on the review (i.e. an Annual Governance Statement) within any published Statement of Accounts.

10. LINKS TO CORPORATE AND NATIONAL PRIORITIES AND THE WELL-BEING OF FUTURE GENERATIONS ACT

THE COUNCIL'S CORPORATE PLAN PRIORITIES

- 10.1 Delivery of all of the Council's priorities is underpinned by strong and robust governance arrangements.

WELL-BEING OF FUTURE GENERATIONS ACT

- 10.2 The Sustainable Development Principles, in particular Prevention, can be applied to the systematic reviews undertaken in order to provide assurance that risks to the achievement of objectives are being managed.

11. CONCLUSIONS

- 11.1 It is a legal requirement for the Council to conduct a review of its system of internal control at least once a year and report the outcome of that review in the form of an Annual Governance Statement. Once approved, the Annual Governance Statement is included within the Council's Statement of Accounts.
- 11.2 The Draft Annual Governance Statement for 2019/20 has been produced in accordance with the requirements contained within the 'Delivering Good Governance in Local Government: Framework (2016)'.
- 11.3 The overall conclusion from assessing the Council's governance arrangements for 2019/20 is that they operated effectively, ensured business was properly conducted and publicly demonstrated the proper use of resources in the delivery of Corporate Plan priorities.

Other Information:-

Relevant Scrutiny Committee
Not applicable.

Contact Officer – Paul Griffiths

LOCAL GOVERNMENT ACT 1972

AS AMENDED BY

THE LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

AUDIT COMMITTEE

20th JULY 2020

**DRAFT ANNUAL GOVERNANCE STATEMENT 2019/20 – RHONDDA CYNON
TAF COUNTY BOROUGH COUNCIL**

REPORT OF THE DIRECTOR OF FINANCE AND DIGITAL SERVICES

Author: Paul Griffiths (Service Director – Finance & Improvement Services)

Item:

**4 - DRAFT ANNUAL GOVERNANCE STATEMENT 2019/20 – RHONDDA CYNON
TAF COUNTY BOROUGH COUNCIL**

Background Papers

None.

Officer to contact: Paul Griffiths

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

DRAFT ANNUAL GOVERNANCE STATEMENT 2019/20

1. INTRODUCTION

1.1 The Council's [Corporate Plan 2016 - 2020](#) 'The Way Ahead' sets the overall direction for the Authority describing the vision, purpose and priorities to be delivered.

1.2 The Council's agreed Vision, purpose and priorities are:

- Vision - For a County Borough that has high aspirations, is confident and promotes opportunity for all.
- Purpose - To provide strong community leadership and effective services for the people of Rhondda Cynon Taf to enable them to fulfil their potential and prosper.
- Priorities:
 - Economy - Building a strong economy;
 - People - Promoting independence and positive lives for everyone; and
 - Place - Creating neighbourhoods where people are proud to live and work.

1.3 Underpinning the above priorities is the cross-cutting theme of 'Living Within Our Means' that focusses on robust financial management arrangements to ensure the Council maintains its financial stability and makes the best use of scarce resources.

1.4 A new [Corporate Plan 2020 - 2024](#) 'Making a Difference' was agreed by Council on 4th March 2020 and this sets the overall direction for the Authority over the next 4 years describing the vision, purpose and priorities to be delivered.

1.5 The Council's agreed Vision, purpose and priorities over this period are:

- Vision – To be the best place in Wales to live, work and play, where people and businesses are independent, healthy and prosperous.
- Purpose - To provide strong community leadership and create the environment for people and businesses to be independent, healthy and prosperous.
- Priorities:
 - Ensuring People: are independent, healthy and successful;
 - Creating Places: where people are proud to live, work and play; and

- Enabling Prosperity: creating the opportunity for people and businesses to: be innovative; be entrepreneurial; and fulfil their potential and prosper.

1.6 This Annual Governance Statement sets out for the community, service users, tax payers and other stakeholders the Council's governance arrangements together with a review of their effectiveness in managing risks of failure in delivering Corporate Plan priorities.

2. SCOPE OF RESPONSIBILITY

2.1 Rhondda Cynon Taf County Borough Council (RCT) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

2.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes the arrangements for the management of risk.

2.3 The Council, in compiling the Annual Governance Statement, has adopted the *Delivering Good Governance in Local Government: Framework (2016)* developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE). In doing so, the Annual Governance Statement meets the Council's legal duty as set out in the Accounts and Audit (Wales) Regulations 2014, as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018. Regard has also been given to the 'Briefing from the CIPFA Better Governance Forum (Annual Governance Statement for 2019/20 – Matters to consider as a result of the coronavirus pandemic (COVID-19))' in respect of conducting the review of the Council's governance arrangements for the 2019/20 financial year.

2.4 The Council's Annual Governance Statement aims to provide an accurate representation of the governance arrangements in place for financial year ending 31st March 2020.

3. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

3.1 The governance framework comprises the systems, processes and cultural values by which the Council is directed and controlled, and the activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

- 3.2 For RCT governance is about ensuring that the Council does the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- 3.3 The system of internal control is a significant part of that framework and is designed to manage the risk to a reasonable level. It cannot eliminate all risk of failure to achieve aims and objectives, and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 3.4 The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's priorities, to evaluate the likelihood and impact of those risks materialising, and to manage them efficiently, effectively and economically.
- 3.5 The governance framework outlined below has been in place at Rhondda Cynon Taf County Borough Council for the year ended 31st March 2020 (and up to the date of approval of the 2019/20 Statement of Accounts).

4. **THE GOVERNANCE FRAMEWORK**

- 4.1 The Council has a range of governance arrangements in place, in line with the *Delivering Good Governance in Local Government: Framework (2016)*, many of which are set out within its [Constitution](#). Appendix A provides examples of the key systems, processes and documents that were in place within the Council during 2019/20.
- 4.2 The *Delivering Good Governance in Local Government: Framework (2016)* supports the principle for local authorities to develop and maintain an up-to-date local code of governance. The Council has developed a Local Code of Corporate Governance and was reported to the Council's Audit Committee at its meeting on [29th April 2019](#).

5. **REVIEW OF EFFECTIVENESS**

- 5.1 The Council has responsibility for conducting, at least annually, an assessment of its governance framework including the system of internal control.
- 5.2 The exercise has entailed reviewing the activities in place around the Council's main governance arrangements, discussing governance arrangements with senior officers across services and taking account of the findings from a range of existing reports. The Review of Effectiveness has also given key regard to the impact of Storm Dennis and the start of the coronavirus pandemic, and is set out at sub-section 5.4.
- 5.3 The findings and proposals for improvement have been reviewed and challenged by the Council's Senior Leadership Team (SLT) and Audit Committee, and have been set out in line with the *Delivering Good Governance in Local Government: Framework (2016)*.

5.4 STORM DENNIS AND COVID-19**Storm Dennis**

- 5.4.1 On the weekend of the 15th and 16th February 2020, Storm Dennis caused significant damage to many communities across Rhondda Cynon Taf and was by far the most destructive weather event the area has experienced for a generation.
- 5.4.2 On the 17th February 2020, a Cabinet Steering Group (Major Incident Recovery Board – February 2020 ‘STORM DENNIS’ FLOODING EVENT) was established, through an Urgent Decision of the Leader of the Council, to ensure an authority wide and timely approach was taken in the delivery of services and the prioritisation of resources following this major weather event declared by South Wales Police. In addition, between the 17th February and 4th March 2020, 5 urgent decisions were approved as part of the immediate recovery work and included the release of £1.5Million from the Council’s General Reserves to deliver a range of measures to support residents and businesses affected.
- 5.4.3 With specific regard to the release of £1.5Million from General Reserves (as approved in the urgent decisions of the 17th February 2020 (£1.0Million) and 21st February 2020 (£0.5Million), the Director of Finance and Digital Services (Section 151 Officer) set out that the Council maintains General Reserves for unforeseen and exceptional events and it being wholly appropriate that the Council’s General reserves are used in this way to support such an unprecedented event. As part of these decisions the Director of Finance and Digital Services also set out that the Council should maintain the level of these reserves at a minimum of £10Million and that their level will be replenished going forward as and when Welsh Government funding is confirmed, as part of future budget strategies and / or from any opportunities to release earmarked reserves. As at 31st March 2019, the level of General Reserves stood at £10.498Million, from which the allocation of £1.5Million has been made.
- 5.4.4 In addition, on the 25th February 2020, the Director of Finance and Digital Services formally requested that Welsh Government give special financial assistance to the Council under its Emergency Financial Assistance Scheme. Since this time, the Council has submitted its claim under the scheme and has received funding from Welsh Government amounting to £1.697Million.
- 5.4.5 In respect of the medium to long term impact of Storm Dennis, it is noted that the Council is progressing the assessment of damage to its infrastructure, which at present is estimated to be in excess of £60M. Discussions are on-going with Welsh Government and the UK Government in this regard.

COVID-19

- 5.4.6 On the [18th March 2020](#), an Urgent Decision of the Leader of the Council set out the current emergency planning arrangements for COVID 19 at UK, Wales and locality levels and the potential implications for Council services when the outbreak escalates and the action the Council should take.
- 5.4.7 More specifically, the report set out that in the event of an emergency and urgent situation arising as a result of COVID 19 then, in respect of the exercise of Executive Functions as outlined in the Council's Constitution, and in the absence or unavailability of (1) the Leader or (2) the Deputy Leader, the Leader delegates the power and responsibility of exercising such executive functions to the Chief Executive and the Senior Leadership Team to make decisions and undertake the actions required to ensure key services continue to operate, ensure the Council, its residents and staff interests are protected and the operation of other services be suspended as may be necessary taking into consideration the potential implications of COVID 19.
- 5.4.8 The Council's Chief Executive reported an update on the COVID-19 position in Rhondda Cynon Taf to the [21st May 2020](#) Cabinet meeting that set out:
- Background information to the unprecedented lockdown measures announced by the UK Government on the 23rd March 2020 to stop the spread of the virus between households.
 - How RCTCBC has responded to COVID-19 to date:
 - The majority of key frontline functions continuing to operate with reduced staffing levels and included: the provision of social care services to the most vulnerable; homelessness services, domestic abuse services and substance misuse services; community meals service to the elderly; coordination of the shielding scheme and made contact with 6,726 people identified by the NHS as vulnerable due to COVID-19; Children's Services, Attendance and Well-Being and schools keeping in touch with vulnerable children and families; refuse collection, street cleansing and highways and land reclamation teams continuing to address flooding issues that caused so many problems in the weeks before lockdown; youth services, library services and adult education services delivering a wide range of provision on-line; processing business grants of over £38Million to over 3,300 businesses, processing weekly free school meal cash payments to nearly 9,300 families and processing more Housing Benefit and Council Tax support applications; and providing emergency childcare provision in school settings.
 - The continuation of key back-office functions that included ensuring contractors and Council employees and pensioner are paid; developing and making available a well-being helpline and counselling service to all staff; and the IT Service transforming how the Council works in a

very short period, with over 3,000 staff across the Council working from home.

- Next steps that covered contact tracing and recovery and service planning. All Services have now produced Service Recovery Plans and will be monitored via existing performance management arrangements.

5.4.9 The 21st May 2020 Report also covered the Decision Making and Democratic Engagement and 'Counting The Cost', setting out:

- Decision Making and Democratic Engagement
 - Decision making and governance has continued to operate in compliance with the Council's Constitution.
 - Key Executive decisions such as closing services have been made by the Leader of the Council and/or the relevant Cabinet member in discussion with the Chief Executive and relevant Senior Leadership Team Director(s). A variety of decisions have been taken either as part of the wider coordinated COVID-19 emergency response, or as mandated by the laws that have been enacted as part of the response. All of these decisions have been within the normal delegated powers of Chief Officers, and where possible taken after consultation with the relevant Cabinet Member.
 - Due to social distancing, no Committees have met as at 21st May. Weekly briefings of the Cabinet with the Senior Leadership Team have been held weekly via Microsoft Teams and more recently Zoom video conferencing. The Senior Leadership Team has also met daily, with the Leader in attendance. This has allowed the Senior Leadership Team to make appropriate operational decisions in consultation with the Leader, which has enabled immediate action to occur which has been important.
 - With Covid 19 likely to be prevalent for at least a further year along with social distancing requirements, we need to ensure that the committee processes of local government are reinstated. The Local Authorities (Coronavirus) (Meetings) (Wales) Regulations 2020 have changed the pre-existing laws to enable fully remote meetings to take place as long as those participating can hear and be heard. It also provides for the distribution and publication of all associated documents via electronic means only. As a result, the Council will incrementally resume its committee functions and, in consultation with the Chairs of the Committees, arrangements are being made to hold virtual meetings in the near future, starting with Cabinet and Planning.
- 'Counting The Cost'
 - Initial estimations that the financial impact on the Council of the pandemic is at least £4.5Million per month over and above existing resources as a result of additional costs and demand for specific services and lost income and that a further report on the financial implications would be reported to the next Cabinet meeting ([25th June](#))

[2020](#)). The 25th June 2020 report references that a mid-year budget review alongside an updated and interim MTFP will be reported in September 2020.

5.4.10 Since this time, a further Cabinet meeting has taken place, on the [25th June 2020](#), and a full Council meeting on [1st July 2020](#) – both meetings set out their respective forward work programmes for the next 3 months, recognising that the position will be subject to on-going review and may be subject to change to take account of the current unprecedented period that the Council and society at large is living through. In addition, other Committees have begun to meet i.e. Planning and Development Committee on [11th June 2020](#) and the Overview and Scrutiny Committee on [26th June 2020](#).

5.4.11 It is considered that the existing governance arrangements will provide the framework to enable the Council to continue to operate and adapt to the pandemic; however, where it is considered that exceptional circumstances apply that are not currently provided for, these will be reported accordingly.

5.4.12 The remaining sub-sections that comprise the Review of Effectiveness focus on the governance arrangements that operated within the Council for the period 1st April 2019 to 31st March 2020. Where specific arrangements have or are to be put in place as a result of COVID-19, these are referenced within the respective areas.

5.5 PROGRESS MADE TO IMPLEMENT PROPOSALS FOR IMPROVEMENT REPORTED IN THE 2018/19 ANNUAL GOVERNANCE STATEMENT

5.5.1 The 2018/19 Annual Governance Statement identified 6 proposals for improvement. An update on progress was reported to the Council's Audit Committee on [17th December 2019](#) and following consideration the Committee **RESOLVED:** *'That satisfactory progress is being made to implement the recommendations'*.

5.5.2 A detailed position statement of progress to implement each proposal for improvement is set out in Appendix B. In summary, out of the 6 proposals for improvement, 4 have been implemented and 2 are on-going due to their nature (i.e. reviewing performance indicator targets and ensuring the Financial Procedure Rules document continues to be fit for purpose). Based on this position statement, it is considered that, overall, good progress has been made during the year to support improvements to the Council's governance arrangements.

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

Behaving with integrity

Elected Members¹

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

The Standards Committee

- 5.6.2 A Standards Committee was in place during the year to promote, maintain and oversee high standards of conduct by elected Members, with the Terms of Reference for the Standards Committee included within the Council's Constitution.
- 5.6.3 During 2019/20 the Standards Committee had a work-plan in place and met on 2 occasions. An Annual Report for 2019/20 was due to be presented to full Council in May 2020; however, due to the coronavirus pandemic this has been re-scheduled to September 2020.

Council employees

- 5.6.4 All officers who started employment within the Council were provided with a local induction and an Individual Performance Review process was in place to support the personal development of officers. The overall arrangements were managed by the Council's Human Resources Service.

Arrangements in place to tackle potential misappropriation

- 5.6.5 In the event that an officer decides to operate outside of the intended terms and conditions of employment, arrangements were in place for officers to "blow the whistle" through the Council's [Whistleblowing Policy & Procedure](#). In addition, there were arrangements in place to tackle potential [fraud, bribery and corruption](#).
- 5.6.6 The Audit Committee has overall responsibility for overseeing the governance arrangements in place in respect of whistleblowing and tackling potential fraud, bribery and corruption. Updates received by Audit Committee during the year in respect of these arrangements were:

¹ Elected Members – also referred to as elected Councillors

- Anti-Fraud, Bribery & Corruption

An Anti-Fraud, Bribery & Corruption Progress Report for 2019/20 was reported to Audit Committee on 17th December 2019 that set out progress against the programme of work for 2019/20 (including the National Fraud Initiative). The report concluded that progressing the Anti-Fraud, Bribery & Corruption work programme for 2019/20 will ensure the Council continues to operate within an effective anti-fraud culture across the organisation, with resilient preventive measures capable of identifying and addressing new threats. Audit Committee reviewed the update and acknowledge the outcomes of the anti-fraud work progress during 2019/20.

The Annual Report for 2019/20 was due to be reported to Audit Committee on 27th April 2020 in accordance with the agreed [work plan](#) for 2019/20. Due to the impact of COVID-19, this meeting was cancelled and arrangements have been made for the report to be considered by Audit Committee at its July 2020 meeting. Based on the anti-fraud, bribery and corruption information reported during 2019/20 (i.e. the progress report in December 2019), it is considered that sufficiently robust arrangements were in place.

- Whistle-Blowing

As part of the Annual Governance Statement 2018/19 Progress Update reported to Audit Committee on 17th December 2019, assurance was provided that on-going staff awareness raising is taking place for this area, for example, the whistle-blowing policy being highlighted as part of the staff and manager induction processes and a pay-slip insert issued in December 2019 raising awareness of the policy and how to 'blow the whistle'. A Whistle-Blowing Annual Report for 2019/20 was scheduled to be reported to the 27th April 2020 Audit Committee and, as referenced above, arrangements have been made for the report to be considered at the July 2020 Audit Committee. The conclusion of the Director of Human Resources as set out in the 2019/20 Annual Report and subject to approval by Audit Committee is *'Based upon the information contained within this report, I conclude that overall the Council's whistleblowing arrangements are appropriate'*. It is also noted that the Whistle-Blowing Policy and Procedure was last reported to Audit Committee for review in October 2016.

PROPOSAL FOR IMPROVEMENT

- 5.6.7 Although the Whistle-Blowing Policy and Procedure is kept under on-going review at an operational level, it is recommended that the Council's Whistle-Blowing Policy should be subject to a full review, taking into account intelligence gathered since the last update, and reported to Audit Committee during 2020/21 for review, challenge and sign-off.

- 5.6.8 Work in this area has also been informed by the results of the Staff Survey undertaken in 2018, the results of which were reported to Audit Committee on 4th February 2019. This information has been re-reviewed in 2019/20 and concluded that there were no pockets of service areas where awareness is low and that the data indicated a general lack of awareness, rather than being service specific. A series of actions are being taken to address this, as reported in the Annual Governance Statement 2018/19 Progress Update reported to Audit Committee on 17th December 2019 (as referred to in paragraph 5.6.6 above).
- 5.6.9 Gifts and Hospitality Policy - the Council has a Gifts and Hospitality Policy and arrangements were in place, via registers, to record gifts and hospitality in line with the Policy.

Comments, Compliments and Complaints – Social Services

- 5.6.10 A report was presented to Cabinet at its meeting held on [17th October 2019](#) setting out an overview of the Council's statutory Social Services complaints procedure for the period April 2018 to March 2019. The report provided a summary of all complaints and compliments received, and concluded by identifying lessons to be learnt and changes to relevant procedures / protocols.
- 5.6.11 The Report noted that a total of 88 complaints were received across both Adult and Children's Services during the year and this represented a significant reduction of 77 complaints when compared to the previous year. The report also stated that for both Adult and Children's Services there were more compliments received (163) than complaints (88) and this was encouraging and allows the Service to get better at what they do and avoid similar issues in future.

Comments, Compliments and Complaints - Non-social services

- 5.6.12 An Annual Report covering 2018/19 was presented to the Overview and Scrutiny Committee on [3rd September 2019](#) that set out areas for improvement and for progress reports regarding the Council's corporate Customer Feedback Scheme to be presented to the Committee on a bi-annual basis. It is considered that the introduction of bi-annual reporting will provide further visibility on this area and enable monitoring of areas for improvement.

Demonstrating a strong commitment to ethical values

Elected Members

- 5.6.13 Further to the Local Government Elections in May 2017, all elected Members received induction training on the Member's Code of Conduct that supports the principle of ethical values. Code of Conduct training is mandatory and is continually available to all Elected Members. Training is provided to all newly

elected Members on a one to one basis following bi-elections and Members are reminded through their Personal Development Reviews (PDR) that they are able to contact the Council's Monitoring Officer directly with any queries relating to the Code of Conduct (See also Appendix B – Recommendation 4 for further information).

The Council's supply chains

- 5.6.14 The Council plays a significant role in the utilisation of national framework contracts as well as local contractual arrangements, and is responsible for ensuring that its business is conducted in accordance with the law, applies high ethical values, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council's Contract Procedure Rules provides the framework to achieve this and a 'Procurement Policy – Social Responsibility' was approved through a Record of Urgent Joint Decision of the Deputy Leader and Cabinet Member for Corporate Services on the [24th March 2020](#) to further reinforce the arrangements in this area and align with the three key initiatives issued by Welsh Government to take account of as part of the procurement process: Community Benefits; Code of Practice Ethical Employment in Supply Chains; and Opening Doors: the Charter for SME Friendly Procurement.

Respecting the rule of law

- 5.6.15 The Chief Executive (as Head of Paid Service) led the Council's officers and chaired the SLT (that also comprised the statutory roles of Chief Finance Officer and Monitoring Officer together with other key positions).
- 5.6.16 At the [24th January 2019](#) Cabinet meeting, revisions were agreed to the Council's Senior and Associated Management Post Structure; this included a new Chief Finance Officer being appointed from 11th March 2019 (as approved by Council on [6th March 2019](#)) and a new Monitoring Officer appointed from 1st April 2019, following the two previous post-holders leaving the Council.
- 5.6.17 With specific regard to the Chief Finance Officer position within the Council during 2019/20, the role complied with the principles outlined in the CIPFA document '*The Role of Chief Finance Officer*' because the Chief Finance Officer:
- *Was a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest;*
 - *Was actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy; and*
 - *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:

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

5.7 ENSURING OPENNESS AND COMPREHENSIVE STAKEHOLDER ENGAGEMENT

Openness

A commitment to openness

General Data Protection Regulation

5.7.1 The General Data Protection Regulation (GDPR) came into force on the 25th May 2018. During 2019/20 the Council demonstrated accountability and transparency when handling and processing personal and sensitive information that it holds in respect of individuals by:

- Having in place a Data Protection Policy and Data Protection web-page and designating the post of Data Protection Officer to an existing member of staff;
- Formally recording the lawful basis upon which data / information is processed within suites of documents called Data Protection Registers; and
- Having in place 'Privacy Notices' that are available on the Council's website setting out how it intends to use information and how it will deliver its services and statutory responsibilities.

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

Freedom of Information

5.7.3 The Council operated a Freedom of Information (FOI) Act 2000 publication scheme in accordance with legislative requirements. During 2019/20 the Council received 1,030 FOI/Environmental Information Regulations (EIR) requests. Response statistics and any complaints investigated by the Information Commissioner's Office (ICO) concerning FOI/EIR requests are reported through the Information Management Board's quarterly meeting highlight reports and allows the Board to maintain an overview of the Council's compliance with the relevant legislation.

5.7.4 During 2019/20 the Council received 6 complaints which had been referred to it by the ICO:

- 3 of the complaints related to requests not being responded to within the statutory 20 working day period. With the agreement of the ICO all 3 requests were subsequently responded to within 10 working days.
- 2 of the complaints related to requests where the requester believed not all information was being disclosed as part of a response but following an investigation the ICO concluded in both cases that the Council had provided all information it held.
- 1 complaint contained elements of both FOI and Data Protection legislation and following dialogue with the ICO additional information was released to the requester as part of early resolution.

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

Openness – Forward work programmes

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

- The [15th May 2019](#) Council meeting agreed and published a calendar of meetings for the 2019/20 municipal year for Council, Cabinet, Licensing Committee, Audit Committee and the Planning & Development Committee, in line with its Constitution;
- Cabinet published its work programme on [18th June 2019](#) for the 2019/20 municipal year and refreshed this on three occasions: [11th September 2019](#), [17th December 2019](#), [24th March 2020](#); and
- Scrutiny Committees agreed work programmes and these were publicly available on a stand-alone [Scrutiny Work Programme](#) page on the Council's website, in line with a proposal for improvement previously made by the Wales Audit Office (now Audit Wales).

5.7.7 Committee Work Programmes are an important tool for Members to assist them in viewing items that are coming forward to Committees and for other Committees to utilise to prevent duplication of work and assist with pre-scrutiny. Work Programmes also assist members of the public to engage in the democratic process of the Council. It is noted that work programmes are placing more emphasis on key service or policy matters, based upon a revised criteria which includes alignment to the Council's priorities and those matters of interest to the public, and they allow for more in depth reviews and referrals from other Committees including Council and Audit Committee.

Decision making and scrutiny of decisions made

5.7.8 Cabinet is a key decision making body within the Council. From a review of reports presented to Cabinet during 2019/20:

- All reports were in the required format;
- A total of 108 reports were presented, 97 of which were made publicly available and 11 were excluded from the press / public on the grounds that the items of business involved the likely disclosure of exempt information, for example, commercially sensitive information;
- For all decisions made by Cabinet during the year, 'Decision Notices' were published on the Council's website and did not become effective (i.e. implementable) until the expiry of the required 'call-in' period (unless deemed to be urgent decisions and therefore not subject to call in);
- During the 2019/20 Municipal Year, one Cabinet decision was called in:
 - 21st Century Schools Programme – Proposal to reorganise Primary Schools, Secondary Schools and sixth Form Provision in the Greater Pontypridd Area.
 - The Call-In was considered at a special Overview & Scrutiny Committee held on the [31st July 2019](#) having regard to the reasons set out in the two call-in forms. Following consideration of the issues set out in both call-in forms and in accordance with the Overview & Scrutiny Procedure Rules, Committee resolved that both matters not be referred back to Cabinet for reconsideration and therefore the Cabinet decision taken on 18th July 2019 took effect from the closing of the meeting.

5.7.9 Record of Urgent Decisions of the Leader, Cabinet Members and Delegated Officer Decisions were published on the Council's [website](#). For the 2019/20 financial year, 51 decisions were published and in line with the Council's Constitution, these were reported to full Council for information purposes.

Engagement with residents / stakeholders

5.7.10 The Council set out its commitment to engage with residents and stakeholders in its 'Corporate Plan 2016 – 2020 'The Way Ahead' to help achieve the outcome of 'more involved and resilient communities'. A further consultation exercise was undertaken in respect of the 'Corporate Plan 2020 – 2024 'Making a Difference' – this Plan was agreed by Council on 4th March 2020 and sets out the Council's priorities for the next 4 years.

5.7.11 Engagement arrangements are supported through a dedicated [Consultation page](#) on the Council's website and a wider commitment by the Council to engagement via the [Public Services Board](#).

5.7.12 During the year the Council undertook a variety of consultation exercises, some in partnership with other public sector organisations. It is noted from a review of a sample of Council and Cabinet Reports that a 'Consultation'

section is included setting out the results of consultation feedback (where appropriate) to inform decision making and a broad range of communication methods were on offer to encourage stakeholders to express their views.

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

5.8.1 For 2019/20, the Council compiled draft action plans for its three Corporate Plan priority areas of 'People', 'Place' and 'Economy', and these were subject to pre-scrutiny by the Finance and Performance Scrutiny Committee on [8th July 2019](#), as contained within the draft Corporate Performance Report 2019/20. The action plans set out the Council's priorities, outcomes to be delivered, key actions and performance measures and targets, and the pre-scrutiny process concluded that the '*Council's ambitions for 2019/20 are understandable and will enable progress and impact to be measured and scrutinised*'. The draft action plans were then:

- Reported to Cabinet on [18th July 2019](#), where they were endorsed and Cabinet recommended their approval by Council; and
- Reported to and approved by Council on [31st July 2019](#).

5.8.2 During the year, Corporate Plan priority action plan updates were reported publicly on a quarterly basis in line with the Council's Constitution i.e. firstly to Cabinet for review / approval and then to the Finance and Performance Scrutiny Committee for further review / scrutiny. The quarterly updates during the year were (noting that due to the COVID-19 pandemic, alternative arrangements were put in place for the Quarter 3 and 4 reporting processes):

- Quarter 1 – Cabinet [24th September 2019](#) / Finance and Performance Scrutiny Committee [4th November 2019](#);
- Quarter 2 – Cabinet [21st November 2019](#) / Finance and Performance Scrutiny Committee [16th December 2019](#)
- Quarter 3 - The scheduled Cabinet and Finance and Performance Scrutiny meetings were cancelled due to COVID-19. The Quarter 3 Report was instead approved by a Record of Urgent Decision of the Cabinet Member for Corporate Services on [24th March 2020](#); and
- Quarter 4 (Year-End Report)– it is noted that the Council's Quarter 4 report will be reported to the July 2020 meeting of the Cabinet and then scrutinised by the Overview and Scrutiny Committee.

5.8.3 In terms of compliance with statutory reporting requirements as set out in the Local Government (Wales) Measure 2009 and the Well-being of Future Generations Act 2015, the Council intends to:

- Publish a backward looking assessment of its performance for the 2019/20 financial year in line with the statutory date of no later than 31st October.

- Publish forward looking action plans for 2020/21 based on the priorities of ‘Prosperity’, ‘People’ and ‘Places’ as included in the new Corporate Plan 2020 – 2024 “Making a Difference”. It is intended that forward looking action plans will be published in quarter 2 of 2020/21.

Medium Term Financial Plan (MTFP)

- 5.8.4 As part of providing elected Members with information to support future consideration of reports in relation to the Council’s Medium Term Financial Planning arrangements, a joint presentation was made to full Council on [19th June 2019](#) by the Council’s Director of Finance and Digital Services and the Welsh Local Government Association’s Director of Resources.
- 5.8.5 The Director of Finance and Digital Services also reported an updated MTFP covering the period 2019/20 to 2022/23 to Cabinet on [18th July 2019](#), where it was agreed wider engagement with full Council and the Finance and Performance Scrutiny Committee be undertaken. In line with this, the updated MTFP was reported to full Council on [31st July 2019](#) and a presentation made to the Finance and Performance Scrutiny Committee on [4th November 2019](#) titled ‘Understanding the Council’s Budget’.
- 5.8.6 The updated MTFP set out:
- 2019/20 Revenue Budget (£483.5M) - 85% of the revenue budget was allocated to Corporate Plan priorities and the remaining 15% allocated to Authority Wide Costs, Other Services To The Public, Regulatory Public Services and Core Support; and
 - 2019/20 to 2021/22 Capital Programme (£173.202M) – 98% of capital resources allocated to Corporate Plan priorities. The remaining 2% was allocated to Regulatory Public Services, Authority Wide Costs and Core ICT Systems Support.

Investment

- 5.8.7 Additional investment was approved by Council during the year to further support the delivery of Corporate Plan priorities: on [23rd October 2019](#) amounting to £5.800M and [4th March 2020](#) amounting to £11.850M. It is noted that the opportunity to deliver additional investment, over and above the normal Capital Programme, is the continuation of a strategy since 2015 and has enabled £107M to be invested since this time through assessing and releasing earmark reserves, setting resources aside to fund prudential borrowing and allocating additional one-off Welsh Government funding.
- 5.8.8 Based on the arrangements and information reported during the year, there is clear evidence that the Council has publicly set out its ambitions, provided updates on progress and opportunity for review and scrutiny, and focussed its resources to support the delivery of its Corporate Plan priorities.

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

Determining and planning interventions

- 5.9.1 The Council's decision making arrangements during 2019/20 were based on written reports in an agreed format, having regard to financial, legal and consultation matters, and alignment with the Well-Being of Future Generations Act (this includes, for example, Council and Cabinet reports).
- 5.9.2 Of the approaches or interventions used by the Council during the year, overall, these are making a positive contribution to the delivery of outcomes in line with Corporate Plan priorities. Examples of key interventions are set out below.

Cabinet and the Senior Leadership Team

- 5.9.3 The Cabinet and SLT jointly planned the work programme of items to be reported during the year and required timescales, with this informing the pace of progress and outcomes being delivered. This has included:
- Economy Priority – supporting town centre regeneration as part of the Porth Town Centre Strategy (for example, the redevelopment of Porth Plaza as a new community hub for the town); the Mountain Ash Town Centre Framework (for example, the redevelopment of Guto Square); and in Pontypridd (for example, development of Llys Cadwyn and the link bridge to Ynysangharad Park);
 - People Priority – meeting the needs of residents requiring support to live independently through progressing the Extra Care Housing Development programme and Supported Housing Schemes; and
 - Place Priority – working with partners as part of the Cwm Taf Community Safety Delivery Plan, with anti-social behaviour being an area of key focus.

Scrutiny Committees

- 5.9.4 Scrutiny Committees have undertaken a broad range of work during the year including pre-scrutiny of the Council's draft Corporate Plan 2020-24 and also proposals to modernise residential care and day care for older people; set up specific working groups to consider discrete areas such as recycling in communal areas and development of infrastructure to support low carbon vehicle ownership; acted as a consultee as part of the Council's 2020/21 Revenue Budget Strategy consultation process; and scrutinised the Council's performance as part of quarterly Performance Reporting arrangements throughout the year.

Performance Reports

- 5.9.5 Performance Reports provided quarterly updates on financial performance; progress against Corporate Plan priorities (including performance indicators and investment); staffing including sickness absence; and strategic risks, and provided electronic links to more detailed information.
- 5.9.6 With specific regard to financial performance, Corporate Plan priority and strategic risk updates, exceptions were highlighted, explained and the corrective action to be taken included within reports. There was evidence of scrutiny challenge around financial and performance results and requesting further information to be included within reports to aid the reader's understanding.

Optimising achievement of intended outcomes

- 5.9.7 On [28th September 2017](#) Cabinet agreed a way forward to deliver Corporate Plan priorities in a climate of funding reductions by investing in Rhondda Cynon Taf's future and by improving and delivering essential services in a different way. This involved the creation of 5 work-streams to invest in to improve essential services: Digitalisation, Commercialisation, Early Intervention and Prevention, Independence and Efficient and Effective Organisation.
- 5.9.8 Work was undertaken during 2019/20 in the 5 work-streams, for example, making more services available on-line, delivering services that focus on early intervention and prevention and independence such as the Resilient Families Service and StayWell@Home Service, and also continuing to deliver efficiency savings to support an Efficient and Effective Organisation.
- 5.9.9 The on-going relevance of the 5 work-streams were tested as part of the Council's [2019/20 Revenue Budget Strategy Consultation](#) arrangements and the feedback of respondents is set out below.

	Yes (%)	No (%)	Don't Know (%)
Digitalisation	64	24	12
Early Intervention and Prevention	87	7	6
Commercialisation	60	24	16
Efficiency	78	11	11
Independence	78	12	11

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

Developing the entity's capacity

5.10.1 The Council undertook a 'corporate self-assessment' and completed 'individual service self-evaluations' to inform service planning for 2019/20 and to assess the Organisation's current position and areas for improvement. This was reported to Cabinet on [19th March 2019](#) and to the Finance and Performance Scrutiny Committee on [2nd April 2019](#).

5.10.2 The above arrangements, supported by the 2019/20 Revenue Budget Strategy and an on-going programme of investment, continued to evidence that the Council is developing its capacity in priority areas within a very challenging financial climate. This is being evidenced through:

- Strong and focussed leadership from the Cabinet and Senior Leadership Team, with good progress being made in delivering the majority of the commitments set out in the Corporate Plan;
- On-going investment in digitisation to support more agile working, reduce accommodation requirements and employee improve work / life balance;
- A focus on providing more services on-line for residents and businesses, in line with public expectations;
- The recruitment, development and management of staff and the appointment of graduates and apprentices to create excellent job and training opportunities across a range of key service areas;
- A continued focus on improving staff attendance through providing those service areas with high levels of sickness access to specialist HR support and advice; and
- Working with partners and Welsh Government to fund and deliver projects in Town Centres as well as playing a key part in the Cardiff Capital Region City Deal and Cwm Taf Public Services Board.

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

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

Developing the capabilities of elected Members

5.10.4 Following the local government elections in May 2017, a programme of training commenced for Elected Members to ensure they were equipped with the appropriate skills, knowledge and support to fulfil their roles. This work has continued during 2019/20 through the availability of Member Personal Development Reviews (PDRs) which identified individual training needs and training has been complemented through the use of specific sessions, for example, an update on Medium Term Financial Planning arrangements in advance of a full Council meeting.

- 5.10.5 Through the use of the PDRs, bespoke training packages have also been delivered to Members and following enquiries from Members in respect of their roles, policies are being created to support members going forward.
- 5.10.6 To provide further support and access to information, all elected Members have been provided with an iPad or similar device of their choice to assist them in undertaking their roles. Devices are now also being provided to the Council's Co-opted Members and has enabled the continued rollout of the 'Modern.Gov' system that allows access to Council papers electronically.
- 5.10.7 The rollout of Modern.Gov across the Council has been positive to date. Whilst it is too early to establish the full effect of its implementation so far, there have been some requests from Members for additional information to be made available through the Modern.Gov system and also for the amount of hard copy information provided to be reduced.
- 5.10.8 To further enhance the roll out of the paper-light approach, the development of training and the use of technology by Members, the Democratic Services Committee at its [19th March 2019](#) meeting endorsed the development of a Members Portal. The Portal is recognised as a form of good practice through the Members Charter and will be an area on the website for Elected Members to access which will allow them an area to potentially report problems; submit questions / Notices of Motion to Council; submit scrutiny Call Ins; submit Research requests; provision of useful contact details for officers / external organisations; and E-learning.
- 5.10.9 The Council has a good track record of providing Members with support and development opportunities, and this can be evidenced by its success in attaining and retaining the Members Charter over the past decade². The Charter includes all aspects of elected Member support including constitutional arrangements, a strategic and practical framework for Member development, services and facilities. The Charter is intended to raise the amount and standard of support to elected Members in Wales. To continue to demonstrate the Council's commitment to Member development, preparations are in progress for the Council's Charter to be reviewed in 2020.

Member Survey

- 5.10.10 In accordance with s6(2) of the Local Government (Wales) Measure, 2011 Member views have been sought on their preference for start times of meetings by means of a survey which was conducted between 1st April to the 13th April 2019. The results of the survey were reported to the Democratic Services Committee held on the [17th July 2019](#) and demonstrated that 98% of Members are happy with the level of support provided to them through the Council Business Unit subject to some suggested improvements. Those improvements have all since been progressed such as providing new

² Members Charter - The Council received its first award in 2007, an Advanced Charter in 2010 and the 'Good Practice and Innovation Award for Member Support and Development' in 2014, as a result of support made available to Members through the Occupational Health Unit.

Members on Scrutiny Committees with an induction with the Head of Democratic Services and the Scrutiny Support Officer and where possible the Chair or Vice Chair of the Committee to fully brief them on the work programme and terms of reference. Members' views will again be sought in respect of their preference for the start times of meetings as well as the appropriateness of the support available to them in a survey which will be circulated and discussed at a future Democratic Services Committee.

Developing the capabilities of employees

5.10.11 The Council has a Workforce Plan 2017-22, which was approved by Cabinet on [15th February 2018](#). The plan has set priorities that align to the Council's Corporate Plan in terms of developing a flexible and agile workforce that shares organisational knowledge; recruiting and retaining the best talent to create a diverse workforce; leadership and management development; enabling a high performing, engaged and committed workforce; and supporting health and wellbeing to maximise attendance.

5.10.12 Staff development has been supported through induction sessions, Leadership and Middle Management Development Programmes, Manager Briefings, 'Joint Cabinet and Senior Officer meetings' and a range of operational training such as health and safety, information management and dignity at work. This was supported by a Training Compendium that brought together all training available within the Council.

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

Managing risk

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

Strategic Risks

5.11.2 The Council's strategic risks are set out in a Strategic Risk Register and updates were reported publicly to Cabinet and the Finance and Performance Scrutiny Committee during the year as part of performance reporting arrangements - the latest published strategic risk register update can be viewed by clicking [here](#) (noting that the 2019/20 year-end Strategic Risk Register will be reported to Cabinet in July 2020).

5.11.3 From reviewing the quarterly strategic risk register updates for 2019/20, it was noted that:

- New risks were incorporated into the register i.e. delivery of the 21st Century Schools Band B Programme and expectations placed upon the Council to become net zero by 2050 in respect of its carbon emissions;
- Risk Scores revised to take account of up-to-date information i.e. the specific project to relocate the Council's data Centre and its importance in supporting the Council's I.T. infrastructure and the risk of a No Deal Brexit seeming ever more likely and the economic and other risks that could materialise; and
- Revisions to risk descriptions to reflect updated positions, for example, making reference to cyber risk.

Operational Risks

- 5.11.4 These risks are monitored by Service Delivery Plan owners as part of the operational management of services.
- 5.11.5 In addition to the above, to assist Management in applying consistent risk management arrangements, a Risk Management Toolkit is in place.

Audit Committee

- 5.11.6 The membership and planned meeting frequency of the Council's Audit Committee (8 scheduled meetings) during 2019/20 was in line with the Council's Constitution and legal requirements. It is noted that two of the scheduled meetings due to take place as part of the 2019/20 Audit Committee Work-plan were cancelled as a result of the limitations placed on the Council due to COVID 19 and a virtual Audit Committee meeting has scheduled for July 2020 for the Committee to consider draft certified financial statements and other year-end governance related year-end reports, for example, the Council's Annual Governance Statement.
- 5.11.7 The CIPFA Publication '*Audit Committees – Practical Guidance for Local Authorities and Police 2018 Edition*' set out that the role of the Audit Committee in relation to risk management covers three major areas:
- Having assurance over the governance of risk, including leadership, integration of risk management into wider governance arrangements and the top level ownership and accountability for risks;
 - Keeping up to date with the risk profile and the effectiveness of risk management actions; and
 - Monitoring the effectiveness of risk management arrangements and supporting the development and embedding of good practice in risk management.

5.11.8 At the 17th December 2019 Audit Committee an update was reported titled 'Arrangements in place to manage corporate risks' and included proposals for improvement, that were agreed by Audit Committee, to further reinforce the arrangements currently in place. The proposals for improvement agreed at the 17th December 2019 meeting together with a further proposal for improvement in respect of operational risk management are set out below.

5.11.9 During the year, work has been undertaken with the Chairperson of Audit Committee to compile a draft Audit Committee Annual Report for 2019/20 (incorporating a self-assessment against the CIPFA 2018 Practical Guidance note). Based on the work undertaken, the Chairperson of the Audit Committee has concluded, subject to approval by the Committee, that:

- *Our work-plan for this financial year has been balanced and has continued to build on the change in approach introduced in 2018/19 of broadening the items or topics reported to Audit Committee. In addition to this, a range of Officers have attended the Committee and this has continued to help us to deliver our Terms of Reference.*
- *I believe that we have discharged the responsibilities placed upon us and the proposals for improvement that have arisen from the self-assessment will help further improve our arrangements and effectiveness.*

PROPOSALS FOR IMPROVEMENT

5.11.10 Risk Management – the proposals for improvement agreed by Audit Committee on 17th December 2019 were:

- Strengthen Audit Committee's visibility of the Council's risk profile through presenting 'Strategic Risk Register' Information Reports to the Committee;
- Provide Audit Committee with 'Risk Updates' to enable the Committee to consider the arrangements in place for the management and ownership of risks across the Council, including, for example, new risks and changes in risk scores;
- As part of developing an on-going programme of training and support for Audit Committee, consider (amongst other things):
 - The levels of awareness / understanding of risk management best practice for elected Members; and
 - Are there opportunities to further utilise the expertise of the Council's audit and scrutiny functions to support improvement in risk management / governance arrangements e.g. topics being referred between scrutiny and audit committees?
 - Share of good practise with other local authorities, for example, the local authorities that comprise the Regional Internal Audit Shared Service.

5.11.11 Whilst assurance is in place around the on-going monitoring and reporting of Strategic Risks, assurance work should be undertaken to confirm the

adequacy of arrangements for operational risk management, in line with the Council's Risk Management Strategy.

5.11.12 The Audit Committee Annual Report 2019/20 – the draft Audit Committee Annual Report for 2019/20 recommends a number of proposals for improvement and, subject to approval by Audit Committee, these should form the basis of an action plan to support on-going improvement to the work of the Committee and be progressed alongside the Audit Wales project 'Rhondda Cynon Taf Audit Committee - Support and Development'. The proposals for improvement include:

- Complete the skills assessment for Members of Audit Committee;
- Agree a refreshed programme of learning and development (informed by the skills assessment exercise) and incorporate into the Audit Committee annual work-plan; and
- Using one area of the Audit Committee's Terms of Reference, pilot an approach to evaluating the impact of its work (with the aim of learning lessons and developing an approach to evaluate other areas of the Committee's work).

Managing performance

5.11.13 There was continued focus on the Council's performance management arrangements during the year through Service Self-Assessment / Service Delivery Planning 'challenge sessions' with the Chief Executive and designated Cabinet Member. The on-going work is supporting an overall improvement in the content of the documents via more clearly defined outcomes and further alignment with the individual performance management arrangements to all staff.

Scrutiny

5.11.14 Good progress has been made in response to the review of Council's Scrutiny arrangements, which was reported alongside the Council's response to Overview and Scrutiny Committee in [October 2018](#). This includes strengthening the support provided to Members, through a single Council Business Unit (CBU). The Unit, agreed [by Democratic Service Committee on 12 November 2018](#) has centralised the support to all of the Council's democratic functions and decision making arrangements. The provision of a Scrutiny Graduate Research Officer is able to support Members' Scrutiny responsibilities.

5.11.15 An update report outlining the improvements to the Council's Scrutiny function was presented to the Overview & Scrutiny Committee on the [1st May 2019](#). The improvements noted to date include (and will be an on-going process):

- The formalisation of meetings of Scrutiny Chairs and Vice Chairs;

- A revised set of clearly defined Terms of Reference for each Scrutiny Committee (placing the Corporate Priority 'Economy' under the Finance & Performance Scrutiny Committee and the Crime & Disorder Committee to the Overview & Scrutiny Committee, the overarching Scrutiny Committee and therefore providing a more strategic role and serving as a platform for receiving updates from the Police Crime Panel as previously requested by the Overview & Scrutiny Committee);
- A more concise forward work programme for each Scrutiny Committee which will provide greater focus on those matters which can produce tangible outcomes, align themselves to the Council's priorities and interest to the public and allows for a more in depth review of each topic (with any reports for 'information' only being provided via link only);
- Improved Notices of Motions (NOM) arrangements through a more efficient alignment between Council and Scrutiny and more clarity from the Proposer and Secunder on the meaning of the NOM;
- Development of the dedicated Scrutiny website since its launch in 2018 with updates on scrutiny committees and Chairs' Blogs;
- Continued engagement sessions between the Scrutiny Chairs and their respective Cabinet Members to formulate the forward work programmes;
- Improved public engagement and involvement in the Scrutiny process through the publication of a Public Participation Guide; and
- The implications of the Well-being and Future Generations Act on Scrutiny Committees have been considered and the Scrutiny Toolkit issued by the Future Generations Commissioner was tested in a Scrutiny Working Group, which considered the Council's Infrastructure for Low Carbon Vehicles (LCV).

Internal control

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

Managing data

5.11.17 An Information Management Plan is in place that sets out the framework, including legal requirements, for information management within the Council.

5.11.18 A review of the arrangements in place during 2019/20 identified they were in line with the agreed governance structure. More specifically (and in addition to the information set out at paragraph 5.7.1 – GDPR):

- An Information Management Board was in operation and has been running for several years. This was chaired by the Council's Senior Information Risk Officer, key service areas were also represented by Head of Service level or above;
- The Council continued to secure its annual accreditation to the Public Service Network (PSN) in January 2020 i.e. The 'PSN' is the Council's connection to the wider public sector network (Council to Council,

Council to Government e.g. Department for Work and Pensions) to enable the Council to communicate and share data securely across all public bodies;

- The Council attained Cyber Essentials certification in July 2019. Cyber Essentials is a Government backed scheme that evidences an organisations resilience against common cyber-attacks; and
- An ICT Security Group was in operation and has been running for several years. The group is made up of representatives from each ICT team and its purpose is to support PSN and Cyber Essentials accreditation in addition to providing assurances in respect of proposed changes to applications, or the introduction of new technology.

5.11.19 It was noted that alongside the above activity, the Information Commissioner's Office (ICO) investigated 8 self-referrals in respect of the Council during 2019/20. In all cases, the ICO determined that no further regulatory action was required and were satisfied with the Council's investigation of the breaches and the remedial measures identified.

Public Services Ombudsman for Wales (PSOW)

5.11.20 It has been noted that 11 referrals³ were considered through the Council's Complaints and Concerns Procedure, the outcomes from which were that no further action was deemed necessary. An additional referral was investigated by the PSOW (a final report is due to be received) and 1 further referral was dealt by way of an 'early settlement'.

Strong public financial management

5.11.21 The Council has publicly demonstrated its commitment to strong and responsible financial planning and management, and has supported this through the continued delivery of sound financial performance during 2019/20. This is based on:

- A key cross-cutting principle within the Council's Corporate Plan is '*Living within our means*', in effect setting out the importance of sound financial planning and management within the organisation;
- The Council has a suite of protocols supporting strong financial planning and management that have been compiled with, for example, 'Budget and Policy Framework Procedure Rules' and the 'Financial Procedure Rules';

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

- The Council set a Revenue Budget in 2019/20 after taking account of a significant budget gap, with savings being delivered from areas that did not affect frontline services. The Council also continued to take a responsible approach to Council Tax increases, having regard to residents feedback as part of the revenue budget consultation process, and set a 3.6% Council Tax increase (excluding Community Council precepts and excluding the Police and Crime Commissioner for South Wales Precept, both of which are outside of the Council's control) which was the lowest increase across Wales;
- Financial performance results were publicly reported every three months during the year and scrutinised by elected Councillors (with the quarter 4 (year-end) report scheduled to be publicly reported in July 2020);
- The Council kept its finances under on-going review throughout 2019/20 and was able to release resources from earmark reserves (as referred to in 5.8.7) to support additional one-off investment in Corporate Plan priorities. It is noted that the availability of one-off funding was as a result of early identification of savings or from assessing the Council's specific reserves has been a consistent approach in enabling significant additional investment in recent years;
- The Council complied with new legislative requirements, for example, the external audit of the 2018/19 Statement of Accounts for the Council and Rhondda Cynon Taf Pension Fund was completed and approved by full Council on the 31st July 2019, in advance of the statutory timescale of 15th September for the 2018/19 financial year and in compliance with the earlier closing timetable that became a statutory requirement with effect from the 2020/21 financial year;
- The Wales Audit Office Management Letter for 2018/19 was presented to Audit Committee by the Wales Audit Office on 16th September 2019. The report stated that: the draft financial statements for the year ended 31st March 2019 were received on 31st May 2019 in line with the agreed deadline. It also reported that the draft financial statements were of good quality and concluded that the Council's key financial statements can be relied on to materially correct outputs;
- The Council is financially stable as a result of having a track record over a number of years of setting and delivering balanced revenue budgets, and having 'clean bills of health' on its year end accounts when audited by the Wales Audit Office⁴ (as demonstrated in the latest Wales Audit Office Management Letter relating to the 2018/19 Statement of Accounts reported to Audit Committee on [16th September 2019](#)); and
- The Council had sound medium term financial planning arrangements that robustly forecasted future spending and funding levels, and published an update during the year.

⁴ Wales Audit Office – from 2020/21 the organisation has been renamed as Audit Wales

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

Implementing good practice in transparency and reporting

- 5.12.1 The Council has implemented an open and consistent approach to reporting its business, as set out in earlier sections of this Annual Governance Statement, with the aim of helping to ensure information is understandable to stakeholders and that they have the opportunity to challenge the Council's performance, plans and decisions, for example, the Council's Statement of Accounts and quarterly Performance Reports. It is noted that the Annual Reports for the 2019/20 financial year in respect of Audit Committee, Scrutiny Committees and Standards Committee are scheduled to be reported to full Council in September 2020.

Cabinet Attendance at Scrutiny

- 5.12.2 At the Overview and Scrutiny Committee on 22nd January 2018, the Committee agreed for a process whereby Cabinet Members and their respective Chief Officers attend the relevant Scrutiny Committee(s) to present information in respect of their portfolios. This process is intended to enhance the level of dialogue and information currently provided to Scrutiny Committees and a number of updates were noted as being provided during 2019/20, for example, to the Finance and Performance Scrutiny Committee on [16th December 2019](#).
- 5.12.3 In order to increase the prominence / awareness of the Annual Governance Statement, arrangements have been put in place whereby a designated '[Governance](#)' section has been developed on the Council's website. A standalone copy of the most recent (i.e. 2018/19) Annual Governance statement is available and once approved the 2019/20 Annual Governance Statement will also be published on Governance Section of the Council's website. It is noted that the Governance Section of the Council website also includes information in relation to: The Council's Constitution; Risk Management; Whistleblowing; Anti-Fraud, Bribery and Corruption; Audit Committee; Corporate Feedback Scheme; The Council's External Regulators; and Working with others.

Assurance and effective accountability

Internal Audit

- 5.12.4 The Council's Cabinet approved for the Internal Audit Service to be transferred to a Regional Internal Audit Shared Service (hosted by the Vale of Glamorgan Council), with effect from 1st April 2019. A review of information presented by the Regional Internal Audit Shared Service to Audit Committee during the year provides assurance that the Service continued to play a key part in enabling the Committee to fulfil its Terms of Reference.

- 5.12.5 An Internal Audit Charter was in place for the 2019/20 financial year that was approved by Audit Committee on [25th March 2019](#) and sets out the Service's position within the organisation, for example, its authority to access records, personnel and physical properties relevant to the performance engagements.
- 5.12.6 The Head of Internal Audit has produced a Head of Internal Audit Report for 2019/20. Subject to Audit Committee consideration at its meeting in July 2020, the Head of Internal Audit Report states:
- *from the work undertaken during the financial year 2019/20 and taking into account other sources of assurance, the Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2019-20 is: "Effective with a small number of areas identified for improvement".*
 - *based on the work completed by the Regional Internal Audit Shared Service for the financial year no significant cross-cutting control issues have been identified that would impact on the Council's overall control environment. The weaknesses that have been identified are service specific.*
- 5.12.7 In addition, the Head of Internal Audit's Annual Report 2019/20 confirmed overall conformance to the Public Sector Internal Audit Standards and the Covid19 outbreak has had little impact on the delivery of the internal audit plan for 2019/20 as relevant testing in all but 3 planned reviews had been completed prior to the lockdown coming into force allowing draft reports to be issued.

5.13 OTHER KEY GOVERNANCE ARRANGEMENTS

Amgen Cymru Ltd

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

5.13.4 During 2019/20 there have been no significant governance issues that have been identified by the Amgen Company directors, internal auditors or external auditors.

Pension Fund

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

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

5.13.6 All of these documents can be found at the following link:
www.rctpensions.org.uk

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

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

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

5.13.9 In 2016/17 the Council established a formal Pension Fund Committee (subject to the provisions of Section 101 of the Local Government Act 1972) to oversee its responsibilities with regard to the administration of the RCT Pension Fund. The Pension Fund Committee consists of 5 elected members and is politically balanced.

5.13.10 The Committee is responsible for the strategic management of the RCT Pension Fund with all operational matters continuing to be delegated to the Council's Chief Finance Officer (as the Section 151 Officer or in his absence the Deputy Section 151 Officer) who are supported by an Investment and Administration Advisory Panel with appropriate officer, independent advisor and professional support.

5.13.11 The Pension Fund Committee met 3 times during the Municipal Year 2019/20.

5.13.12 In early 2017, a Joint Governance Committee (JGC) was established in accordance with an inter-authority agreement, responsible for oversight of the Wales Pension Partnership (WPP) investment pooling collaboration of the eight LGPS funds in Wales. The eight Welsh Pension Fund Committee Chairs or their nominated deputy (elected member) attend the JGC and are supported by an officer working group. In January 2018, the WPP appointed an 'Operator' to establish and run a collective investment vehicle for the sole use of the Local Government Pension Scheme (LGPS) funds in Wales.

A summary of the pooling objectives of the WPP are:

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

OVERALL ASSESSMENT OF THE COUNCIL'S ARRANGEMENTS

6.1 Based on the assessment undertaken, it is considered that the Council's governance arrangements operated effectively, ensured business was properly conducted and publicly demonstrated the proper use of resources in the delivery of Corporate Plan priorities. This overall conclusion is supported by:

- Sound arrangements to support elected Councillors and Officers in the effective discharge of their responsibilities and their on-going training and development, and also in maintaining high standards of conduct when undertaking business on behalf of the Council;
- Executive and Delegated Officer decision making being evidence based, timetabled in advance (where appropriate), publicly reported and in line with the Council's Constitution;
- On-going awareness raising within the Council to promote probity and a zero tolerance culture in respect of fraud, bribery and corruption, and also publicly reporting on the Council's performance in such areas;
- An open approach to engaging with stakeholders, partners and the Council's scrutiny function in the planning and delivering services;
- The continued reporting of understandable priorities and ambition, as set out in the Council's Corporate Plan, with regular progress reports published and reported to Cabinet and reviewed by the Council's scrutiny function. The Council wide position for the year shows improving performance results overall supported by on-going additional investment in priority areas and maintaining financial stability;
- A medium term approach to financial planning, within a very challenging public sector financial climate, that helped inform strategic decision making and prioritisation of resources;
- An unqualified audit opinion from the Council's external auditor on the Council's latest approved Statement of Accounts (2018/19) and assurance from the Head of Internal Audit's annual opinion on the adequacy and effectiveness of the Council's framework of governance, risk management and control for 2019/20; and
- The Council having a track record of implementing Annual Governance Statement recommendations in previous years.

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

7. PROPOSALS FOR IMPROVEMENT

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

Table 2 – Proposals for Improvement

Core Principle / Area	Paragraph No.	Issue Identified	Recommendation	Timescale for Implementation	Responsible Officer(s)
BEHAVING WITH INTEGRITY, DEMONSTRATING STRONG COMMITMENT TO ETHICAL VALUES AND RESPECTING THE RULE OF LAW	5.6.7	<u>Whistle-Blowing</u> Although the Council's Whistle-blowing policy is kept under on-going review at an operational level, the Policy was last reported to Audit Committee for consideration in October 2016.	The Council's Whistle-Blowing Policy should be subject to a full review, taking into account intelligence gathered since the last update, and reported to Audit Committee for review, challenge and sign-off.	December 2020	Director of Human Resources
MANAGING RISKS AND PERFORMANCE THROUGH ROBUST INTERNAL CONTROL AND STRONG PUBLIC FINANCIAL MANAGEMENT	5.11.10 / 5.11.12	<u>Audit Committee</u> Risk Management – strengthen Committee's visibility of the Council's risk profile and provide Audit Committee Members with the appropriate support to further development their skills in this area. Learning and Development – although individual elected Member training and development arrangements are	<ul style="list-style-type: none"> • Strategic Risk Register updates to be incorporated into the Audit Committee work programme. • Complete a skills assessment for members of Audit Committee the results from which will inform a refreshed programme of learning and 	October 2020 From October 2020	Service Director – Finance and Improvement Services Service Director – Democratic Services and Communications

APPENDIX 1

		in place, no skills assessment has been undertaken for Audit Committee members (informed by the CIPFA publication 'Audit Committees - Practical Guidance for Local Authorities & Police 2018 Edition')	development for the Committee (and should then be incorporated into an action plan for Audit Committee to support its on-going development and link to the Audit Wales project 'Rhondda Cynon Taf Audit Committee - Support and Development').		and Service Director – Finance and Improvement Services
	5.11.11	<u>Operational Risk Management</u> Although operational risk management is undertaken at a service level (via local Service Delivery Planning and monitoring arrangements) assurance is required to determine whether the arrangements are operating as intended.	Undertake a review of operational risk managements.	March 2021	Service Director – Finance and Improvement Services

7.2 The Council’s SLT has accepted the proposals for improvement and is committed to their implementation during 2020/21. The SLT has also confirmed that an update on progress will be reported to the Council’s Audit Committee during the year to enable Councillors to review and scrutinise the extent of progress being made.

Leader: _____

Chief Executive: _____

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

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

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

PROPOSALS FOR IMPROVEMENT 2018/19 – POSITION STATEMENT

Core Principle / Area	Issue Identified	Recommendation	Responsible Officer & Timescale
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	The staff survey identified the need for further work to be undertaken across the Council to raise awareness of whistle-blowing and anti-fraud arrangements and provide staff with reassurance that they can report issues without repercussions.	1. Using the staff survey results (around whistle-blowing and anti-fraud, bribery and corruption), deliver a targeted programme of awareness raising to service areas identified as requiring support and advice.	Head of Employee Relations November 2019
	Status - Implemented - Refer to paragraph 5.5.7 of the Annual Governance Statement.		
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Comments, compliments and complaints (non-social services) – no overall update is reported for review and challenge by the relevant Scrutiny Committee as part of supporting service planning and improvement. Work commenced in 2018/19 – to be carried forward into 2019/20.	2. Non-social services comments, compliments and complaints - annual reporting arrangements should be put in place to report details to the relevant scrutiny committee of non-social services comments, compliments and complaints received (with the first report covering the period April 2018 to March 2019).	Service Director – ICT and Digital Services October 2019
	Status - Implemented - An annual report covering 2018/19 was presented to the Overview and Scrutiny Committee on 3rd September 2019 with the proposal that bi-annual reports are also made available to that Committee going forward. This is in line with the requirements of the Complaints Standards Authority and reports will be presented in April and September. There was no Overview and Scrutiny meeting held in April 2020 hence no report requested, however this will be presented at a later date once normal business resumes		

Core Principle / Area	Issue Identified	Recommendation	Responsible Officer & Timescale
<p>Ensuring openness and comprehensive stakeholder engagement</p>	<p>Whilst the focus within scrutiny committee work programmes is improving, a wide range of topics are included that can impact on the capacity of Committees / Working Groups to review all areas in detail and thereafter assess the extent that Terms of Reference are being delivered.</p>	<p>3. As part of developing scrutiny work programmes for 2019/20:</p> <ul style="list-style-type: none"> • More focus should be given to streamlining areas / themes for review to allow for a more outcome based style of reporting; and • More clearly link Committees' Terms of Reference to reports / areas to be scrutinised (with consideration being given for this to be undertaken as a pilot exercise initially). 	<p>Service Director – Democratic Services and Communications</p> <p>September 2019</p>
<p>Status – Implemented - The revised work programmes are providing greater focus on key service or policy matters, based upon a revised criteria which includes alignment to the Council's priorities and those matters of interest to the public. They allow for more in depth reviews and referrals from other Committees including Council and Audit Committee. A greater emphasis has also been placed on undertaking pre scrutiny of key decisions which produces more focussed based outcomes. This approach is ensuring the wider engagement of all members in policy development and decisions.</p> <p>Matters for Members' to consider as 'information only,' which have previously overburdened the work programmes, are now highlighted only. This separation provides the opportunity for members to identify those items requiring more focused scrutiny and challenge and those items which are for information purposes only.</p> <p>The strong alignment between Council and Scrutiny has developed through an improved process for dealing with Notices of Motions (NOM) and engagement between Cabinet Members and Scrutiny.</p> <p>The revised Terms of Reference attributed to each scrutiny committee continue to provide transparency to Chairs, Vice Chairs and all Scrutiny members. For example, the Overview & Scrutiny Committee now has responsibility for dealing with the Council's Crime & Disorder matters which has further defined its overarching and strategic role. The initial pilot exercise has now been rolled out to all Scrutiny Committees and the Finance & Performance Scrutiny Committee has the Corporate priority 'Economy' assigned to it. This has proven a good 'fit' and compliments the existing work programme.</p>			

APPENDIX 1

Core Principle / Area	Issue Identified	Recommendation	Responsible Officer & Timescale
<p>Defining outcomes in terms of sustainable economic, social, and environmental benefits</p>	<p>Although performance indicator targets are reviewed as part of the wider pre-scrutiny of Corporate Plan action plans, no in depth work is undertaken on specific targets to better inform Scrutiny Committees in fulfilling their role.</p>	<p>4. In addition to the pre-scrutiny of Corporate Plan action plans, coordinate the delivery of a more in depth review of specific targets by Scrutiny Committee(s) as part of effectively scrutinising the Council's performance.</p>	<p>Service Director – Finance and Improvement Services</p> <p>September 2019</p>
	<p>Status - On-going - An analysis of 2019/20 targets was presented to the Finance and Performance Scrutiny Committee on 23rd July 2019 and updates have subsequently been included within quarterly Performance Reports during the year (presented to both Cabinet and the Finance and Performance Scrutiny Committee). More in depth reviews of specific targets to be considered as part of the arrangements for reporting future Corporate Plan progress updates.</p>		
<p>Developing the entity's capacity, including the capability of its leadership and individuals within it</p>	<p>Elected Members - refresh the programme of training available to continue to effectively support elected Members in the discharge of their responsibilities.</p>	<p>5. Build on the programme of training and support in place for elected Members to ensure other key themes are delivered / refreshed (for example, Code of Conduct refresher training, overview of the Council's budgets / finance training).</p>	<p>Service Director – Democratic Services and Communications</p> <p>From July 2019</p>
	<p>Status – Implemented - The Council's Elected Member Training and Development Strategy continues to be a priority and a comprehensive training and induction programme is in place. In response to the Members' survey undertaken in 2019 training has been offered within the framework of the committees so as to accommodate those working Members and those with family commitments. E-Learning training modules were also favoured and are currently available on the Council's Source e.g. training on 'Understanding the Council's Budget' was delivered to every Scrutiny Committee in turn which served to aid Committees understanding of the Council's revenue and capital budgets.</p> <p>A dedicated Members Portal is currently being developed, which will provide access to relevant information and training opportunities through e-learning.</p>		

APPENDIX 1

Quarterly meetings now take place between the Head of Democratic Services and Group Leaders, which includes identification of training needs, or additional information required for members to effectively engage in the decision making process.

Dedicated training has been provided to scrutiny Chairs and Vice Chairs through the Welsh Local Government Association (WLGA) in August 2019 which strengthened their skills and requirements in respect of chairing meetings.

A joint scrutiny training session was held in July 2019 for the Cwm Taf Joint Overview & Scrutiny Committee (a joint arrangement between RCT and Merthyr Tydfil CBC). The joint training session, facilitated by Dr Dave McKenna, was designed to develop skills to effectively scrutinise the Cwm Taf Public Service Board (PSB).

All newly elected Members are provided with an appropriate induction (to include the Members Code of Conduct) with access to refresher training and all Member training is monitored through regular reporting to the Democratic Services Committee.

Members have received in-depth training in respect of the GDPR requirements which relates to their work with constituents, when undertaking case work on a resident's behalf. To protect Members, a general Privacy Notice and Authority to Act form was created and agreed at the Democratic Services Committee in March 2019.

Members Performance Development Reviews (PDR's) are undertaken regularly which are aimed at identifying any further developmental needs which are logged and actioned. Any further developmental opportunities will also be addressed in future Members' surveys.

Arrangements are underway to develop training and development plans for elected members following the 2022 Local Government elections.

APPENDIX 1

Core Principle / Area	Issue Identified	Recommendation	Responsible Officer & Timescale
Managing risks and performance through robust internal control and strong public financial management	Although the review of the Council's Financial Procedure Rules has commenced, the exercise has not yet been completed.	6. Complete the update process of the Financial Procedure Rules and report to the relevant Committee(s) for review and if deemed appropriate, approval (with an approved version incorporated into the Council's Constitution).	Head of Procurement Delivery October 2019
	Work commenced in 2018/19 – to be carried forward into 2019/20.		
	Status - On-going - A review of the Council's Financial Procedure Rules has been completed and identified that no fundamental changes were required. There are a number of minor updates and house-keeping updates required, and these will be progressed during 2020/21.		