

**ANNUAL  
GOVERNANCE  
STATEMENT  
2015/16**

# Annual Governance Statement 2015 – 2016

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## Scope of Responsibility

Blaenau Gwent County Borough Council ('the Authority') is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Authority also has a general duty under the Local Government (Wales) Measure 2009 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

The Authority has approved and adopted a Code of Governance, which is consistent with the principles of the CIPFA/SOLACE Framework "Delivering Good Governance in Local Government". A copy of the code is available from the Policy and Performance Division, and a copy is also available on the Authority's website

[http://intranet/media/104279/CodeOfGovernance\\_Mar2016.doc](http://intranet/media/104279/CodeOfGovernance_Mar2016.doc)

[http://intranet/media/104282/CodeOfGovernance\\_Mar2016\\_cym.doc](http://intranet/media/104282/CodeOfGovernance_Mar2016_cym.doc)

This statement explains how the Authority has complied with the code and also meets the requirements of regulation 5 of the Accounts and Audit (Wales) Regulations 2014 in relation to the publication of a statement on internal control in the Statement of Accounts.

## The Purpose of the Governance Framework

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

The system of internal control is a significant part of the framework and is designed to manage risk at a reasonable level. It cannot eliminate all risk and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is

based on an ongoing process designed to identify the key risks of the Authority, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. These will include achievement or not of the Council's policies, aims and objectives.

The governance framework has been in place at the Authority for the year ended 31 March 2016 and up to the date of approval of the Annual Statement of Accounts.

For 2015, the Council received two Certificates of Compliance against the Councils assessment of performance contained within the Corporate Improvement Plan Stage 1 and Stage 2. In the Annual Improvement Report 2014/2015 issued in August 2015, WAO concluded that the Council had the potential to comply with the requirements of the Local Government Measure during 2015/16, and was in a positive position compared to previous years, and was moving in the right direction.

A full list of recommendations / proposals for improvement made by the Wales Audit Office are available from the Corporate Performance Team, and progress against their achievement is included in the Joint Finance and Performance Report. A list of the proposals made during 2015/16 are attached at Appendix A.

## **The Governance Framework**

The governance framework includes the key elements of the systems and processes that comprise the Authority's governance arrangements, along with an assessment of their effectiveness. The ways in which the Authority demonstrates this are discussed below. Each core principle set out in the Authority's Code of Governance is listed, along with the self-assessment of how well it is applied and how we propose to improve in future. The review of effectiveness is informed by the work of the Senior Managers, who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and by comments from the external auditors and other regulators.

**Core Principle 1**  
**Focusing on the purpose of the Authority and on outcomes for the community including citizens and service users and creating and implementing a vision for the local area**

## How we do this:

Blaenau Gwent's Single Integrated Plan (SIP) 'Making a Difference, 2013 – 2017' was adopted by Council in June 2013. The plan sets out the Authority's vision for the community and service users. Implementation of the plan was overseen by the Local Service Board which monitors and reviews the overall progress against the identified outcomes. The Public Service Board was established in April 2016 and will monitor the SIP until the Well Being Plan is developed in line with the Wellbeing of Future Generations Act legislation.

The Authority's Corporate Improvement Plan acts as the Council's business plan and is directly linked to the priorities in the Single Integrated Plan. The Corporate Improvement Plan was approved by Council in October 2012 and covers the 5 year period to 2017. The plan sets out three high level priorities each of which are defined by a number of outcome statements setting out the focus of our activity. The three priorities are:

- Children and young people's learning and achievement levels are maximised.
- People and Communities are enabled to help themselves.
- The living environment is vibrant and attractive.

The three high level priorities are directly supported by improvement objectives identified via internal and external engagement and suitable evidence.

An engagement strategy exists that sets out how the Authority and its partners will work with communities to ensure improved services are delivered.

The Transforming Blaenau Gwent programme has clear objectives and focuses on a number of elements that support its delivery;

- Financial efficiency
- Robust governance framework
- Cultural and organisational change
- Improving educational standards
- Strong focus on performance
- Workplace transformation and agile working
- Engagement and communication

The "One Council" approach adopted by Members and Officers continues to be a primary driver. This involves a number of design principles supporting our ambition to be a modern, smart Authority providing leadership to enable people and communities to thrive. All transformation and financial efficiency projects are developed in line with the design principles and follow the Project Management Framework.

The Project Management Framework provides consistent practice and guidance across the Council to help those involved in projects to deliver successful outcomes. The use of the Framework ensures that all projects undertaken / completed are subject to the appropriate approval processes and that reviews of the success of these projects is carried out. This will enable the Council to learn lessons for the future and mitigate the possibilities of the same problems occurring in future projects.

The Authority has a Strategic Transformation Team charged with the overall governance arrangements for the Financial Efficiency Projects, leading on cross cutting projects, ensuring adherence to the Project Management Framework and identifying service improvement across the Council. A Programme of Review for the Financial Efficiency Projects will ensure robust challenge of projects and identification of issues in achieving the agreed savings.

The Authority has strengthened its Performance Management Improvement Framework to ensure a consistent approach and accountability for performance improvement. This process is being aligned to the risk management and project management frameworks to provide one approach for data collection and monitoring.

The Authority participated as an Early Adopter of the Well Being of Future Generations (Wales) Act. The Act establishes the sustainable development principles and sets out governance approaches to support how specified public authorities can work differently to achieve them. Work is currently underway to prepare for the corporate requirements under the Wellbeing of Future Generations Act as well as meeting the public bodies via the Public Service Board.

This is supplemented by bespoke arrangements to comply with Government requirements and policies as well as best practice, where relevant e.g. Social Services.

Over the past year the Social Services and Wellbeing Act 2014 has been a focus of the work of the Social Services Department. The Act aims to provide the most radical change to the way in which we provide social services since 1948. It focuses on improving the wellbeing of people who come to Social Services for support. It is person centred and focuses on preventative services and reducing the need for care and support. It recognises that responsibility lies not only within Social Services departments, but in the wider local authority and with our partners (particularly health and the third sector).

### **Review of Effectiveness:**

The Annual Improvement Report (AIR) produced by the Wales Audit Office (WAO), summarises the audit work it has undertaken at Blaenau Gwent in respect of the Authority's improvement planning and reporting arrangements. The last AIR was produced in August 2016 and reached the conclusion that the Council is likely to comply with the requirements of the Measure during 2016-17 providing that it continues to maintain the current pace of improvement.

The Programme Steering Group meets on a monthly basis, alternating between performance and finance agendas. On a bi-monthly basis it reviews progress against the Authority's Financial Efficiency Projects, examining the achievement of both outcomes and financial targets. The Corporate Project Register is also monitored at the Programme Steering Group (Financial) and Programme Management Board. Regular updates are provided to the Executive and Corporate Overview Scrutiny Committees.

The Authority presents the Transforming Blaenau Gwent Joint Finance and Performance Report to CMT, Executive and Corporate Overview Scrutiny Committee on a quarterly basis.

The Corporate Improvement Network has been developed with a representative from each directorate to provide operational capacity for performance and improvement across the Council. This group is supported by the Programme Steering Group (Performance) who provide the strategic lead for the effective and consistent application of performance across the Council. The Council has updated and agreed its Performance Management and Improvement Framework which is used by the Programme Steering Group to ensure compliance across the Council. Under the Transforming Blaenau Gwent Programme phase one of the performance consolidation model was implemented in July 2015 and work towards phase two is being undertaken. The model consolidates performance management capacity across the Council not only to realise financial efficiencies but also to develop skills, knowledge and capacity and create a level of resilience. Some issues with data quality, including national data, have been identified, and support work is to be undertaken as part of phase two of the performance model implementation to ensure on-going reliability and validity of data.

A new performance management system (to replace Ffynnon), utilised by the whole council has been developed. The new system incorporates the majority of the Councils business planning and performance arrangements, so that we have one place for information management and monitoring. The system has been developed to avoid duplication in reporting and to provide a consistent approach across the Council. The system has been in place from 1<sup>st</sup> April 2015 and includes statutory monitoring as well as business plans, self-evaluations, equalities, risk, projects and business continuity.

Robust self-evaluation arrangements continue to be refined. The process enables us to gather and use good quality information to better understand how we are performing. Internal peer challenge sessions which include Corporate Directors, Heads of Service and the relevant Executive Member and Chairs and Vice Chairs of Scrutiny have continued in order to ensure an extra level of accountability as well as providing a 'golden thread' from service level planning to directorate level planning. All of this information has improved the consistency of how we capture information, and this has been used to inform our priorities and plan our business.

The Strategic Transformation Team facilitate a report into the Programme Steering Group on a bi-monthly basis that identifies progress against the Financial Efficiency Projects and major projects within the Council. This information is then reported into the Executive and Corporate Overview Scrutiny Committees.

## **Conclusions and Recommendations for Improvement:**

- Continued work on the alignment of the Performance Management Improvement Framework with other arrangements
- Further embedding of the Transforming Blaenau Gwent Programme.
- The Strategic Transformation Team will be undertaking service reviews to gain assurance or otherwise of correct provision and Value For Money across the Council as well as further developing standard operating procedures.
- Review of the Performance Management System and further development where relevant. Implementation of phase 2 of the performance consolidation model and

targeted work on areas of data quality that have been identified as needing to improve.

**Core Principle 2**  
**Members and Officers working together to achieve a common purpose with clearly defined functions and roles.**

### **How we do this:**

Blaenau Gwent has 42 elected members who collectively make up the decision making body for the Authority. This is complemented by an officer structure of trained and experienced people.

The Authority's constitution has a published Scheme of Delegation of Functions, which is agreed and published annually. This scheme details subject areas, and identifies the bodies or individuals responsible for decision making.

Most policy decisions are developed by the Executive Committee, which for 2015/16 has comprised the Leader and seven Members with individual portfolio responsibilities. For 2016/17 the number of Members on the Executive Committee has been reduced by one. The portfolios have been agreed at the AGM for the Council in May 2016.

In addition to the Executive Committee, the Authority's Committee structure also comprises three decision making Committees (1 x Planning and 2 x Licensing), four Scrutiny Committees, a Standards Committee, a Democratic Services Committee and an Audit Committee.

Members are appointed to these Committees, each of which is supported by relevant officers. Payments to Members who are in positions which attract a senior salary are in line with the determinations of the Independent Remuneration Panel for Wales.

The Authority's Education Services came out of special measures in November 2015 following an Estyn monitoring visit that confirmed sufficient progress had been made in implementing the recommendations made following an inspection in January 2013. A Post Monitoring Action Plan is in place and is monitored via the Executive Committee, the Scrutiny Committee and an Enhanced Self-Evaluation Panel.

The Council has an established Programme Management Board which includes both Members and Officers who act as a decision making body for all transformation and financial efficiency projects. They agree actions upon key projects that have been highlighted by project leads and monitor the delivery of those actions.

There are three statutory posts in place namely the Head of Paid Service, the Monitoring Officer and the Section 151 Officer. These are satisfied by the appointments of the Temporary Lead Corporate Director, replacing the post of Chief Executive from March 2016, the Head of Legal and Compliance and the Chief Finance Officer, respectively. These post holders are charged with ensuring elected Members receive appropriate legal and financial advice.

There are three further officer roles, namely, the Corporate Director of Education, the Corporate Director of Social Services and the Head of Democratic Services, who undertake statutory functions for Education, Social Services and Democratic Services respectively. The Corporate Director of Social Services will leave the Authority in September 2016. A temporary appointment has been made to this post to ensure the Authority's statutory function continues to be fulfilled. One further director holds the position of Corporate Director of Environment and Regeneration.

### **Review of Effectiveness:**

Each Committee conforms to legislative requirements including compliance with the Local Government Measure.

The Authority's Scrutiny Committees can 'call in' a decision which has been made by the Executive Committee but not yet implemented. No decisions were called in during 2015/16.

Work has been undertaken to strengthen Scrutiny arrangements following both internal and external evaluation. Proposals for improvement from the WAO governance review, issued in April 2016, which included a focus on scrutiny, will be included in the scrutiny action plan.

The Scrutiny Action Plan is monitored quarterly by the Democratic Services Committee who then make recommendations to Council. Reference to the scrutiny function is also included within the Performance Management Improvement Framework. Structured meetings including terms of reference have been established between the Chairs and Vice Chairs of Scrutiny, the Head of Democratic Services, the Corporate Performance Manager and the Scrutiny Officer.

The Member Development Strategy has been endorsed by Council and the Annual Programme is in development. Procedures for Member Personal Development Reviews (PDR) have also been adopted and implemented, the findings of which will help inform the training and development programme. The Council holds Level 1 of The Wales Charter for Member Support and Development awarded by the Welsh Local Government Association, recognising the Authority's good practice in this area. Establishment of a mentoring scheme for Members has been agreed by Council, training with mentors has been undertaken via the WLGA and arrangements for implementation of the mentoring scheme are being processed. Planning and preparation for the induction programme for elected Members in 2017 is underway.

A Corporate Management Team operates within the Authority, consisting of the Temporary Lead Corporate Director, supported by the other Directors. These meetings are minuted and key information is disseminated to all officers through an established reporting structure.



A staff survey was undertaken in July and August 2014, that highlighted the need for improved interactions with elected members. An action plan was developed and a working group set up to address the issues raised. A further staff survey was issued in August 2016, the results of which will be analysed and acted upon accordingly.

Engagement arrangements with WAO are in place with monthly meetings with the Head of Policy and Performance and the Head of Paid Service / Lead Director respectively. A quarterly meeting is also undertaken which includes the Leadership, Executive Member and the Chair of the Audit Committee.

Regular meetings have taken place between the Lead Corporate Director, political leaders and the Welsh Government Link Officer. These are to continue for the foreseeable future to secure increased ownership of the Education function by the Local Authority.

### **Conclusions and Recommendations for Improvement:**

- Continue to implement the scrutiny development action plan.
- Implementation of actions to address any weaknesses identified in internal audits.
- Development of an engagement framework for elected members and staff.
- Continued implementation of the staff survey action plan.
- On-going engagement with the regulators.

**Core Principle 3**  
**Promoting the values of the Authority and demonstrating the values of good governance through behaviour.**

### **How we do this:**

A Governance Framework exists that sets out the standards and processes to be adopted by both Members and Officers. Codes of Conduct detailing Member / Officer relations are contained within the constitution and both are required to make declarations of any interests that impact on their positions / functions. These documents are periodically reviewed and updated, and are influenced by best practice and recommendations from both internal and external regulators. A policy framework exists that includes policies for grievances and disciplinary, for dealing with breaches to the codes. A mandatory session on the constitution including roles and responsibilities was held for Members in October 2015.

The Strategic Equality Plan was agreed by Council in May 2016. The plan was subject to comprehensive engagement including through the Access for All Forum and the Older Peoples Network as part of its development.

### **Review of Effectiveness:**

During the year two of the Authority's key governance systems were subject to an internal audit, namely Resilience (incorporating Business Continuity and Emergency Planning) and the Decision Making Process. A follow-up audit was also conducted of the Risk Management arrangements. The findings of these audits were reported to the Audit Committee as appropriate. Weaknesses identified have been reflected in the overall audit opinion for the year.

Staff and members are required to maintain up to date declarations of interest. Members' declarations are retained by the Monitoring Officer and Officers' declarations are held by Service Managers. All Council meetings have declarations of interest as part of the agenda and any declarations are noted in the minutes with members withdrawing or not taking part in the debate as appropriate.

Twenty three internal grievance procedures were instigated between April 2015 and March 2016. These have all been resolved.

Four complaints were received against members for the same period that were referred to the Ombudsman. The Ombudsman deemed them all to be matters they would not investigate.

Equality Impact Assessments are undertaken against all proposed savings. They are also included within the business planning framework. The Annual Report to the Equality and Human Rights Commission was submitted within the appropriate timescales. A new Strategic Equality Plan has been developed covering the period 2016-2020, and came in to force in April 2016

Welsh Language Standards were agreed by Welsh Government in March 2015. Blaenau Gwent Council were issued with a Welsh Language Standards Compliance Notice in September 2015. Of the 176 standards, Blaenau Gwent has been assigned 171 standards of which they must comply with 143 by 30<sup>th</sup> March 2016 and a further 27 by 30<sup>th</sup> September 2016. Appropriate challenge for appeal to defer implementation against a number of the standards was submitted to the WG in line with the agreed procedure, and this process is ongoing. The Annual Welsh Language Report was sent to the Office of the Welsh Language Commissioners within the appropriate timescales.

A high level action plan to meet the corporate duties of the Wellbeing of Future Generations Act has been developed and included in the CIP stage 1 presented and approved by Council in June 2016. A review of progress is planned for the end of 2016, to inform and target the action plan moving forward.

Social Services produces an Annual Report which provides a balanced overview of performance information, statistics, case studies and our achievements to show the impact

our work has had on individual's lives as well as the key challenges we have faced. The last report was published in July 2015, with the most recent report due for publication in September 2016. The information contained in the report will be of interest to a wide audience that includes citizens living in Blaenau Gwent and regulators.

The Council has an established engagement framework for staff and the Council's Organisational Development policies lay out procedures to ensure no improper influences on appointments take place.

### **Conclusions and Recommendations for Improvement:**

- Embedding of the action points from the new Strategic Equalities Plan
- Inclusion of Key Governance Systems in the internal audit planning cycle.
- Continued adherence to the Authority's policies and procedures.
- Implementation and mainstreaming of the Welsh Language Standards across all areas of Blaenau Gwent.
- Work to implement the action plan to meet the corporate duties of the Wellbeing of Future Generations Act.

**Core Principle 4**  
**Taking informed and transparent decisions which are subject to effective scrutiny and managing risk**

### **How we do this:**

Decision making processes for both Officers and Members are set out in the constitution. Boundaries are clearly defined and the Committee structure includes decision making, scrutiny and regulatory functions. A set of Financial Procedure Rules and Corporate Procurement Rules have been adopted to ensure consistency, transparency and value for money in financial management and procurement. The Chief Finance Officer ensures the Authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

An Audit Committee is established that has the primary functions of reviewing financial reports and challenging governance arrangements. The Committee aims to seek assurance that the governance framework operating within the Authority is robust, effective and efficient. The role and scope of the Audit Committee are set out in the Constitution.

The Internal Audit Service works on a risk based approach, to an annual audit plan, in order to assess the internal control environment of the Authority. The work of the section is prioritised in line with the Authority's objectives. The results of all audit work are reported to the Audit Committee who can, if necessary, call Officers to account where weak control is

identified. Policies are maintained for Anti-Fraud, Anti-Corruption and Anti-Bribery, and Anti-Money-Laundering. Adherence to these is considered as part of the work of the Internal Audit function.

The Authority has in place a Risk Management Framework that includes a Risk Management Strategy and a Risk Management Handbook. The risk management arrangements are set out in the Performance Management and Improvement Framework. These set out the risk appetite of the Council and provide a methodology to ensure the consistent assessment / prioritisation of the risks the Authority faces and any mitigating actions.

The Authority continues to produce the Transforming Blaenau Gwent Joint Finance and Performance Report which highlights progress in relation to finance, performance, risk and financial efficiency. A corporate policy is in place to deal with complaints, that the Council has adopted, and each department has nominated Complaints Officers. Complaints information is included in the report.

A Policy Framework exists to guide both Members and Officers in fulfilment of their roles. This includes a Whistle-Blowing policy enabling Members, Officers and members of the public to report any concerns regarding the integrity and operations of the Authority.

## Review of Effectiveness:

The Transforming Blaenau Gwent Joint Finance and Performance Report is presented on a quarterly basis to CMT, Executive and the Corporate Overview Scrutiny Committee including an overview of the headline progress of the Council for the reporting period, directorate summaries and a selection of corporate performance indicators.

The highest level risks faced by the Authority are recorded on the Corporate Risk Register. The main risks facing the Authority during the period were:

Risk Description	Potential Impact
Failure to plan for and transform services in the light of current public sector funding outlook.	Significant reactive and unplanned reductions in front line services
The ICT provision supporting Council services is not resilient and fails to provide assurance requirements in terms of operational functionality and data security.	Medium to long terms loss of IT systems. Potential security breaches. Loss of data.
Weak risk management arrangements or risk management arrangements are not embedded into the culture of the Authority	Failure to identify major risks and to undertake considered decision making.
Failure to ensure adequate Safeguarding arrangements are in place for vulnerable people in Blaenau Gwent	Potential significant harm or loss of life.
Business Continuity. Large scale incident / loss affecting the delivery of services.	Business continuity processes are not robust enough to enable the provision of key services in an emergency.

Failure to support the implementation of change to ensure capability and capacity of the Council's workforce to deliver the Council's service specification	Not having the capacity and capability to deliver services.
Failure to improve educational standards	Educational standards remain low in comparison with Welsh averages.
Failure to improve attendance rates within the Council.	Unacceptable impact on the ability of the Council to deliver services effectively and financially support the cost of sickness absence.
Recent changes to operating practices in waste services could lead to failure to achieve WG recycling targets.	WG recycling targets not met with both financial and reputational consequences.
Failure to implement Welsh Language Standards	Poor service delivery, financial sanctions and reputational issues.
Failure to fully implement the Social Services and Wellbeing Act 2014	Reduction in services provision and quality. Lack of improvement in key areas. Reputational damage. Failure to meet statutory targets. Criticism from regulators. Potential judicial review.
Supreme Court judgement has resulted in a huge increase in Deprivation of Liberty Safeguards (DoLS) authorisation requests.	Back log of requests. Unable to meet obligations under the Mental Capacity Act 2005. Possible litigation.

A copy of the full Corporate Risk Register can be obtained from the Risk Management and Insurance Section.

The Authority's assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit. The Internal Audit Service is subject to regular review by the Authority's external auditors, who place reliance on the work carried out by the section where possible.

Internal Audit Services issued 36 audit opinions during the year.

<b>Audit Grading</b>	<b>No of audits</b>
Full Assurance	4
Reasonable Assurance	18
Limited Assurance	8
No Assurance	6

The numbers of limited assurance and no assurance audit gradings decreased compared to their comparable gradings from 2014-15. However, in addition to the graded reports, an increased number of investigations have been conducted concerning potential fraud and maladministration, and the section has seen an increased number of referrals in the period. As a consequence the overall audit opinion on the adequacy of the internal control environment for 2015/16 again gives limited assurance. Individual audit reports give an opinion on the adequacy of the internal controls within a system at a point in time and do not necessarily indicate significant risks for the Authority in its major financial systems, however, the collective impact of the audit findings has resulted in the limited assurance grading. The

Wider Corporate Management Team continues to receive periodical reviews of Internal Audit findings to ensure corrective action is taken and improved internal controls are achieved.

The annual report of the Director of Social Services was published in July 2015. Blaenau Gwent has been working towards the principles of the Social Services and Wellbeing Act for some time, developing preventative services (in Supporting People and Families First); encouraging people to remain as independent as possible (“Living Independently in Blaenau Gwent in the 21<sup>st</sup> Century”). We still have some way to go to be fully compliant, and change will not simply be a result of changing processes and procedures but a complete cultural change for both ourselves and the public.

All financial efficiency and transformation projects are risk assessed using the Corporate Risk Management Framework. Risks are highlighted and considered in the Programme Steering Group (Performance) and Programme Management Board. Decisions on managing those risks are agreed during those meetings and monitored as part of the project management arrangements that are in place.

The Ombudsman received 19 stage three complaints for the period April 15 to March 16 in relation to Blaenau Gwent. None of these was deemed suitable by the Ombudsman to progress to investigation.

There were no whistle-blowing incidents during the year.

### **Conclusions and Recommendations for Improvement:**

- Managers to implement the actions identified to address weaknesses highlighted by Internal Audit. Meetings are undertaken with the Wider Corporate Management Team, in addition to responsible Officers, and timescales are set for implementation. Follow up audit process to evidence improvement.
- Development of action plans to address internal control issues.
- Continued embedding of the governance framework including business plans, risk registers and self-evaluation etc.

**Core Principle 5**  
**Developing the capacity and capability of Members to be effective and ensuring that officers – including the statutory officers – also have the capability and capacity to deliver effectively**

### **How we do this:**

Service reviews and self-evaluations have been undertaken by Heads of Service and Service Managers to establish any capacity issues that exist or may arise to ensure these are managed, and actions are implemented to mitigate. These can range from structural reviews, prioritisation of workload and termination of low priority tasks.

The Authority has a clear set of strategic outcomes, supporting actions and competencies which relate to service delivery. Both Members and Officers receive appropriate training to enable them to develop / enhance the necessary skills to fulfil their roles.

A Performance Coaching Scheme exists for Officers and a Personal Development Review Scheme (PDRs) for Members to ensure an appropriate level of competency and to identify any further training needs or continuous professional development requirements that are required for the job role, or to prepare them for future roles. The current round of PDRs for Members are currently being finalised, all senior salary holders undertake a PDR as set out in the Councils agreed procedures. Each officer post has a detailed job description and person specification, and selection is made through a robust recruitment process to meet the specific skills and competencies of the post. Role descriptions for Members are established and included in the constitution. The assessment for the WLGA Charter made positive comment on this feature.

### **Review of Effectiveness:**

The Authority monitors performance reviews through the management structure.

There is an established Engagement and Consultation Framework agreed with and in place for trade union involvement.

Project Management training is provided and supporting documentation is available for all staff who deliver projects and is mandatory for identified officers. Guidance documentation and support is available to members and officers for Financial Efficiency Projects to ensure a consistent approach is taken in developing and delivering those projects.

With the austerity measures implemented by the council there has been a reduction in external training opportunities however in house, on the job training continues and essential external training is still undertaken. Both managers and staff have the ability to discuss both capability and capacity as part of the performance review process.

The Authority has developed and is implementing a Leadership Programme to provide Senior Managers with the appropriate skills to undertake their roles.

Three staff have been the subject of the capability process during the period April 2015 – March 2016.

### **Conclusions and Recommendations for Improvement:**

- Continued implementation of the PDR and Member Development Programme
- Continued embedding of the self-assessment and performance review processes.
- Further embedding of the Leadership programme

**Core Principle 6**  
**Engaging with local people and other stakeholders to ensure robust local public accountability**

## **How we do this:**

The Blaenau Gwent engagement strategy has been developed to reflect the national principles of engagement and endorsed in line with the Single Integrated Plan. Via the former Local Service Board, a citizen's panel, has been established and has been recently reviewed and refreshed. Alongside this there are a number of well-established and important forums including the Youth Forum, Access 4 All Forum and the Older Peoples Network.

A multi-agency engagement sub group of the former LSB Officer Network to facilitate a more coherent and consistent approach to citizen engagement across Blaenau Gwent has been established and supports the engagement work required as part of the Wellbeing of Future Generations Act.

Members of the public can get involved with the business of the Council by voting for elected Members, suggesting items of business for meetings, taking part in meetings, bringing their views to the attention of the relevant overview and scrutiny meeting or making comments or complaints. The mechanisms for how to get involved in these ways are described in the constitution.

The council has developed Let's Talk, which includes the public engagement programme on the budget setting process. Taking a three phased approach, the programme featured a series of drop in public events, an online survey and information communicated via various channels including social media and via the Citizens Panel. The proposed Financial Efficiency Projects, as part of the budget setting process are included in Let's Talk. The Let's Talk budget setting engagement programme for the 2017/18 is being planned and has been reviewed against national principles for engagement. Engagement on the assessment of well-being for the area and the population needs assessment as part of the requirements of the Wellbeing of Future Generations Act and the Social Services Wellbeing Act respectively, are being planned.

The council has a Corporate Communications and Marketing Strategy that was endorsed in 2014.

Social Services assessment of effectiveness to include a survey to service users and carers, use of case studies and stories to demonstrate outcomes and impact – part of the process supporting development of the Director of Social Services Annual Report (published on Council webpage). The Living Independently Strategy complements the Social Services and Wellbeing Act by attempting to reposition Social Services as an organisation which intervenes and delivers commissioned services much later on in an individual's life journey as their independence reduces.

## **Review of Effectiveness:**

The Public Service Board (PSB) has been established with terms of reference. A self-assessment of the strategic partnership framework has been undertaken in May 2016 and the findings will be used to identify areas for improvement. External evaluation feedback



on the Let's Talk via Participation Cymru (who attended a drop in session in 2014) has been positive, and was provided in line with the national principles for engagement. Let's Talk has also been recognised as a positive approach by the Wales Audit Office.

A revised third sector agreement has been endorsed via the PSB and the Executive Committee.

The Engagement Team has supported a number of engagement and participation activities and events including: monthly Youth Forums; six-monthly School Grand Council; quarterly Over 50's Network and Forum; Access for All Forums; Let's Talk Engagement Programme and engagement around the Abertillery 3-16 School.

In August 2014 an assessment of arrangements to meet our statutory requirements was undertaken by the representatives from the Welsh Government Young People, Children and Families Team. The findings identified that there was a significant level of proactive commitment to participation, with clear evidence that participation is embedded as mainstream business across the Council.

The authority received and processed 608 Freedom of Information requests during the year and responded to 84.05% of the requests within 20 working days, which is comparable with other Welsh Local Authorities.

In recent years Social Services has made progress with several key collaborative projects that have involved working with other neighbouring authorities, Aneurin Bevan University Health Board, Gwent Police and other organisations from the private, public, third and voluntary sectors.

An example is the Frailty Programme which has been in place since 2011. The purpose of this project is to support frail people in the community by bringing together professionals from Social Care and Health in each locality, to focus on promoting independence and to reduce the number of unnecessary admissions into hospital and institutional care (residential or nursing homes).

## **Conclusions and Recommendations for Improvement:**

- Develop the "Let's Talk" 2017/18 budget setting engagement process.
- Continue to develop activity under the Blaenau Gwent Engagement Strategy, including with reference to key legislative changes, e.g. the Wellbeing of Future Generations Act and the Social Services and Wellbeing Act.
- Work towards implementation of the third sector agreement and associated action plan.

## **Significant Governance Issues**

We have been advised on the implications of the results of the review of the effectiveness of the governance framework, and that the arrangements continue to be regarded as fit for purpose subject to the significant governance issues to be specifically addressed as outlined below:


Issue	Action	Responsible Officer
<p>The need to continue to support robust corporate governance arrangements identified both internally and externally by the WAO, as set out in the Transforming Blaenau Gwent Programme including the Performance Management Improvement Framework (PMIF), and implementation of phase two of the performance consolidation model.</p>	<p>This is continually being monitored via the PSG and CMT. Although the work is progressing it remains a significant area of work for the Council.</p>	<p>Temporary Lead Corporate Director and Head of Paid Service.</p>
<p>The Head of Internal Audit has indicated that her annual opinion reported Limited Assurance on the Council's system of Internal Control.</p>	<p>Periodical reviews by wider CMT to ensure issues are being addressed as they arise. Cyclical presentations to wider CMT and DMTs to increase awareness and identify ongoing mitigating actions.</p>	<p>Chief Finance Officer</p>
<p>The economic situation remains a concern to the Public Sector in Wales and the indications from the Welsh Government are that the tough financial settlements will continue for the foreseeable future. This will pose significant challenges for the Council and it will be critical for the Council to demonstrate that it has appropriate governance arrangements in place to manage its financial affairs and plan towards achieving a sustainable financial position.</p>	<p>Financial monitoring statements are reported regularly into Scrutiny and Executive Committee via the Joint Finance &amp; Performance Report and quarterly portfolio budget forecast reports. The provisional outturn for 2015/16 is forecasting a favourable position of £0.823m. The Programme Steering Group of project officers which was set up to monitor financial efficiency projects will continue. Monthly progress reports on the financial efficiency projects are provided to Corporate Management Team (CMT) and to the Executive Committee, where project progress is appraised. Regular progress reports are also given to the Corporate Overview Scrutiny Committee. As at March 2016 the</p>	<p>Chief Finance Officer</p>

	<p>Financial Efficiency Projects identified for 2015/16 (either as part of the budget setting process or subsequently) have achieved £6.128m in line with the savings target and a further £4.8m savings proposals are to be put to Council for consideration and built into the 2016/17 base budget. For the medium term future, the Council intends to adopt a strategic financial plan which will focus on its core functions. Within this framework the Authority will be looking at ways to achieve savings whilst mitigating the impact on services.</p>	
<p>There were significant changes within waste services during 2015/16, which resulted in a capital investment programme of £5 million to introduce a new kerbside recycling service along with a new Waste Transfer Station at Silent Valley.</p> <p>The recycling figures are lower than anticipated 49%, which could result in financial penalties in excess of £400,000 for 2016/17.</p>	<p>A number of initiatives are being investigated to improve performance, which include:</p> <ul style="list-style-type: none"> <li>• Rear lane reviews,</li> <li>• Marketing and engagement</li> <li>• HWRC infrastructure &amp; performance</li> <li>• Waste Policy reviews</li> <li>• Route optimisation</li> <li>• Waste Transfer Station development</li> <li>• Workforce development</li> <li>• Contract development</li> <li>• Waste data analysis to inform participation levels</li> <li>• Trade Waste Review</li> <li>• Future Service Strategy</li> </ul> <p>All of the above are key priorities for 2016/17, which will be supported by Welsh Government and</p>	<p>Corporate Director – Environment and Regeneration.</p>

	WRAP (Waste Resource Action Programme).	
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## Certification of the Annual Governance Statement


In conclusion we acknowledge that whilst there has been some positive movement for the Authority's Governance Framework, there remain some significant weaknesses to be addressed as identified in the previous section. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

(signed).....

**Councillor Stephen Thomas**  
**Leader of the Council**  
**September 2016**

(signed).....

**David McAuliffe**  
**Chief Finance Officer**  
**September 2016**

(signed).....

**Stephen Gillingham**  
**Lead Corporate Director**  
**September 2016**

**WAO Proposals for Improvement 2015/16**

<b>WAO Draft Annual Improvement Report 2014/2015 (Issued 08/2015)</b>	
<b><i>WAO Proposals for Improvement</i></b>	
1.	Ensure Members receive appropriate and accurate information in reports to improve decision making.
2.	Ensure Scrutiny plays an effective role in challenging deliverability of projects and potential impact on users of changes.
3.	Ensure managers consistently own savings proposals and strengthen the accountability of managers for their delivery.
4.	Improve skills and strengthen corporate capacity, for example of the Strategic Transformation Team, to support delivery of on-going transformation.
5.	Ensure that IT systems for monitoring performance and budgets effectively support the delivery of the TBGP by providing accurate and timely information.
<b>WAO Information Management Follow Up Feedback (Issued 12/2015)</b>	
<b><i>WAO Proposals for Improvement</i></b>	
1.	Develop and implement an Information Strategy delivery plan to drive information issues forward within the organisation.
2.	Establish a central register of all Information Sharing Protocols (ISPs), and develop a plan to migrate all existing sharing protocols to the Wales Accord for the sharing of Personal Information (WASPI) standard; once complete the Council must put processes in place to monitor compliance with this standard.
3.	Pause and review the implementation of the Electronic Document and Records Management System (EDRMS) to assess progress and direction, in particular consider the Council's aims for EDRMS to ensure that the current approach will deliver these aims effectively.
4.	Review and refresh the FOI content, including the Council's publication scheme that the Council makes available on its external website.

Details of progress against these proposals can be obtained from the Corporate Services and Strategy Directorate.