

DRAFT AGENDA

ID	1819
Committee	Pwyllgor Archwilio
Date	19/11/2019
Attendees	<p>Mr. Peter Williams (Cadeirydd)</p> <p>Cynghorwyr Stewart Healy (Is-gadeirydd)</p> <p>Cynghorwyr Garth Collier (Aelod Pwyllgor)</p> <p>Cynghorwyr Malcolm Cross (Aelod Pwyllgor)</p> <p>Cynghorwyr Gareth L. Davies (Aelod Pwyllgor)</p> <p>Cynghorwyr D. Lyn Elias (Aelod Pwyllgor)</p> <p>Cynghorwyr Denzil Hancock (Aelod Pwyllgor)</p> <p>Cynghorwyr John Hill (Aelod Pwyllgor)</p> <p>Cynghorwyr Julie Holt (Aelod Pwyllgor)</p> <p>Cynghorwyr Lee Parsons (Aelod Pwyllgor)</p> <p>Cynghorwyr Keri Rowson (Aelod Pwyllgor)</p> <p>Cynghorwyr Bob Summers (Aelod Pwyllgor)</p> <p>Cynghorwyr Stephen Thomas (Aelod Pwyllgor)</p> <p>Cynghorwyr Haydn Trollope (Aelod Pwyllgor)</p> <p>Cynghorydd Joanna Wilkins (Aelod Pwyllgor)</p> <p>Cynghorwyr Lisa Winnett (Aelod Pwyllgor)</p> <p>Gwasanaethau Democrataidd (Notify)</p> <p>Rhian Hayden (Swyddog)</p> <p>Louise Rosser (Swyddog)</p> <p>Andrea Owen (Swyddog)</p> <p>Steve Berry (Swyddog)</p> <p>Deborah Jones (Secretary)</p> <p>Pob Cynghorydd (Notify)</p>

Item ID	1845
Item Title	Cyfieithu ar y Pryd
Summary	<p>Mae croeso i chi ddefnyddio'r Gymraeg yn y cyfarfod, ac mae angen o leiaf 3 diwrnod gwaith o hysbysiad ymlaen llaw os dymunwch wneud hynny. Darperir gwasanaeth cyfieithu ar y cyd os gwneir cais.</p>

Item ID	1846
Item Title	Ymddiheuriadau
Summary	Derbyn ymddiheuriadau.

Item ID	1847
---------	------

Item Title	Datganiadau Buddiant a Goddefebau
Summary	Derbyn datganiadau buddiant a goddefebau.

Item ID	1848
Item Title	Pwyllgor Archwilio
Summary	Derbyn cofnodion y cyfarfod o'r Pwyllgor Archwilio a gynhaliwyd ar 10 Medi 2019. (Dylid nodi y cyflwynir y cofnodion er pwyntiau cywirdeb yn unig).

Item ID	1826
Item Title	Datganiad Llywodraethiant Blynyddol
Summary	Ystyried adroddiad y Prif Swyddog Adnoddau.

Item ID	1827
Item Title	Adroddiad Blynyddol Ombwdsman Gwasanaethau Cyhoeddus Cymru 2018/19
Summary	Ystyried adroddiad y Pennaeth Cydymffurfiaeth Cyfreithiol a Chorfforaethol.

Item ID	1828
Item Title	Adroddiad Cynnydd Cynllun Archwilio - Gorffennaf 2019 i Medi 2019
Summary	Ystyried adroddiad y Prif Swyddog Adnoddau.

Item ID	1829
Item Title	Swyddfa Archwilio Cymru - Darparu gyda Llai - Gwasanaethau Hamdden
Summary	Ystyried adroddiad y Prif Swyddog Masnachol.

Item ID	1831
Item Title	Adolygiad Swyddfa Archwilio Cymru: Safbwynt Defnyddwyr Gwasanaeth: Ymgysylltu Cymunedol
Summary	Ystyried adroddiad y Pennaeth Llywodraethiant a Phartneriaethau.

**ANNUAL
GOVERNANCE
STATEMENT
2018/19**

Annual Governance Statement 2018 – 2019

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 Measure (Wales) 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 Governance and Partnerships Section.

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 2019 and up to the date of approval of the Annual Statement of Accounts.

In September 2018 the Wales Audit Office (WAO) published their Annual Improvement Report for 2017-18. The conclusion of the report was, "The Council is meeting its statutory requirements in relation to continuous improvement" and "based on, and limited to, the work carried out by the WAO and relevant regulators, the Auditor General believes that the Council is likely to comply with the requirements of the Local Government Measure (2009) during 2018-19".

Details of the Proposals for Improvement issued by the WAO during 2018/19 are available from the Corporate Performance Team, and progress against their achievement is included in the Joint Finance and Performance Report. This list of proposals is 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 A
Behaving with integrity, demonstrating strong commitment to ethical values,
and respecting the rule of law.

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.

Members' declarations are retained by the Monitoring Officer and Officers' declarations are held by Service Managers. All Council meetings are conducted in accordance with the agreed democratic process and have declarations of interest as part of the agenda, with any declarations noted in the minutes and Members withdrawing or not taking part in the debate as appropriate.

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. In addition, policies such as disciplinary or grievance procedures have been formulated for dealing with breaches to the codes.

Both Officers and Members are advised through the induction process of the standards of behaviour required by the Council throughout their term of office or employment. Continued adherence to the ethical values of the Authority is confirmed through a performance review protocol. This is complemented by a set of job descriptions for most positions in the Council, both for Officer and Member roles.

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. It sets out the terms of reference for the various committees in operation. In addition both the Monitoring Officer and the Chief Officer Resources have oversight of the decisions made by the Authority to ensure their lawfulness and financial probity.

Review of Effectiveness:

Each Committee conforms to legislative requirements including compliance with the Local Government (Wales) Measure 2009, Social Services and Well-being (Wales) Act 2014 and the Well-being of Future Generations (Wales) Act 2015. The decision making process is documented and 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 2018/19.

Work has continued to strengthen Blaenau Gwent's Scrutiny arrangements. A Scrutiny Action Plan continues to be implemented and monitored through the Democratic Services Committee and Council. This plan has been further enhanced by incorporating actions that relate to Democratic Services and Member Support. In June 2018, the WAO undertook a review across all 22 local authorities on 'Overview and Scrutiny: Fit for the Future?' Each local authority received a local report. As per normal practice, the review highlighted a proposal for improvement and the Scrutiny and Democratic Arrangements Action Plan has been updated to include it.

Reference to the scrutiny function is also included within the Performance Management Framework.

A mandatory session on the Constitution including roles and responsibilities was held for all Members.

The Ombudsman received one complaint against members in 2018/19 in relation to Blaenau Gwent. This was investigated and no finding of breach was notified to the Council. For 2017/18 ten complaints of maladministration were made of which five did not proceed, three were closed after initial consideration, one was voluntarily settled and one was upheld. Information for 2018/19 is not yet available.

There were no whistle-blowing incidents reported to the Authority during the year.

Recommendations for Development:

- Continued adherence to the Authority's policies and procedures which exist to guide Members and Officers to comply with the Council's expectations in terms of acting with integrity.
- To evidence the robust application of the Authority's Code of Conduct, an Internal Audit review of the declarations of interest process will be undertaken.
- In line with good practice, an Annual review (as a minimum) of the Constitution and Scheme of Delegation to ensure the Authority's governance and decision making processes remain fit for purpose.
- Approval by Council of the reviewed Whistleblowing Policy.
- Continued application of the Members Performance Development Review Scheme and competency framework. It is intended that the non-senior salary holders will be offered a PDR and a competency framework review following the AGM in May 2019 and the Senior Salary holders will be reviewed again in late 2019.
- Continued application of the Officers Performance Review Scheme.
- The audit plan for 2019/20 will include testing a range of policies and procedures.

Core Principle B
Ensuring openness and comprehensive stakeholder engagement.

How we do this:

The Council continues to develop the way in which it engages with the community. We have refreshed the Citizens Panel's membership and integrated it with other engagement activity. The Budget Challenge public engagement around the Councils draft budget proposals for 2018-19 was also undertaken during the year. Over the last 12 months the Council has engaged with over 7,000 people on the following subjects:

- **Side Waste Engagement:** Engaging over 3,200 local people in 20 events, facilitating 1,500 requests to improve recycling.
- **Street Scene:** Engaging over 850 local people and gathering feedback via over 500 questionnaires.
- **Active Travel:** Over 250 residents engaged and 70 representative organisations such as local community groups and businesses.

- **Home to School Transport:** Over 1,200 people taking part in the formal consultation process, including over 400 face-to-face interactions.
- **Budget Challenge:** Over 600 people taking part in the consultation for the budget challenge events.
- **Play Assessment:** Over 400 children and 200 adults took part in the questionnaire on playing and hanging around in their local area.

The Blaenau Gwent Local Well-being Plan 2018 to 2023 was approved by Council on 26th April 2018. This plan sets out the main priorities for strategic partnership working and was developed following evidence from the Well-being Assessment and the 'Blaenau Gwent We Want' Engagement Programme.

The Council has been proactively working with the WAO to consider the Council's opportunities and levers for change relating to public engagement. This audit was followed up with an additional Audit regarding engagement called Service User Perspective. The Council has received feedback from the WAO regarding the Levers for Change Audit and service user perspective and a management response is being prepared. In November the Executive approved a Council Engagement Strategy. For 2018/19, the Council developed a Corporate Plan 2018/22 which includes revised Well-being Objectives (which also act as Improvement Objectives). Evidence and data from the Well-being Assessment and engagement events were used to support the development of the Corporate Plan. The Corporate Plan priority areas have been aligned to the business planning process of the Council.

The Authority hosted a joint assurance and risk assessment workshop with WAO, Estyn and Care Inspectorate Wales (CIW) that informed the work of WAO for 2019-20.

After a challenging year for Social Services in 2017/18, the first part of the year has seen progress on a number of fronts; the CIW has published its inspection report for Blaenau Gwent Council following an inspection that took place in February and March 2018. The Inspectors looked at the effectiveness of local authority services and arrangements to help and protect children and their families. The overall performance of the Council was positive but there is an acknowledgement of the significant challenges facing the Council in delivering the service at a time of financial and resource pressures.

On a regional basis the directors of Social Services are continually committed to looking at collaboration opportunities across Social Services; and have commenced work on a number of areas which will produce scoping papers over coming months. One area we are progressing is looking at all our in-house provision across Gwent with a partner to see whether there is any potential to deliver these services in a different way collaboratively moving forward.

The Corporate Parenting Board continues to make progress on their priorities within their action plan i.e. improving accommodation and employment, education and training outcomes for Looked After Children. Work to improve the contract facilities for our Looked After Children and our Care Leavers at Beaufort Road has successfully been completed following feedback from our children and young people, with a room now more age appropriate for our older children in place.

Blaenau Gwent, after successfully implementing the Welsh Government Childcare Offer was asked by Welsh Government to engage with other stakeholders and implement the rollout to Torfaen. The Offer enables working parents of 3 and 4 year olds to access free childcare on top of the Foundation Phase, providing a total of 30 hours a week of free early education and childcare for 48 weeks of a year. Swift progress was made by the team to implement the offer within Torfaen from September 2018.

The Council has an established engagement framework for staff and the Council's Trade Union and Consultation Framework has been reviewed and updated this year. The Partnership and Engagement Team has developed an overarching Council Engagement Framework which includes engagement with staff. A staff survey was distributed in 2019.

Review of Effectiveness:

To ensure relevant stakeholders are engaged throughout the Councils policy development and decision making processes, comprehensive engagement events have been held throughout the year.

The Policy, Partnership and Engagement Team have supported a number of engagement and participation activities and events. Additionally, the Council continues to hold a number of key engagement and participation activities and events including: monthly Youth Forums; School Grand Council each school term; quarterly Over 50's Network and Forum; and equality focused Access for all Forums. The Council also continues to develop its use of social media channels such as Twitter, Facebook and Flickr.

A staff survey was undertaken in August / September 2016, that identified opportunities for improvement in staff engagement. It highlighted four service areas that were to receive Organisational Development intervention, and actions were built in to service business plans to address the issues noted. All four services identified undertook a follow up survey in September / October 2017 that showed significant improvement on the previous survey results. A suite of staff engagement events have commenced with the Managing Director and Leader of the Council meeting with staff to discuss the future direction of the Authority and answer questions on matters of interest. A further staff survey was undertaken in January 2019.

All relevant Audit Certificates have been received. Engagement arrangements with WAO are in place with monthly meetings with the Head of Governance and Partnerships and separate monthly meetings with the Managing Director. Quarterly meetings are also undertaken with the Leadership.

The Authority's Education Services have a regular termly Local Authority Link Inspector (LALI) meeting convened with Estyn in line with regulatory requirements. The Authority has update meetings between the Corporate Director Education, political leaders and the Welsh Government officials as and when required.

Under the Social Services and Well-being (Wales) Act 2014 we have continued to invest in the knowledge and learning of our Care Management staff through attendance of outcomes training and collaborative working with Social Care Wales to identify best practice and

showcase examples where we have supported citizens to achieve their outcomes. We have received positive feedback from the Older Persons Commissioner into the outcomes that older people experience in Care Homes across Blaenau Gwent and a report outlining the findings was reported to the Social Services Scrutiny Committee and Executive Committee in April 2018. In July 2018 Blaenau Gwent received its Fostering report and in September 2018 received its Children's services report from CIW. Findings from these reports have been included within an action plan monitored through the business plans and through the Social Services Scrutiny Committee. Blaenau Gwent continues to work with a wide range of partners where partnership opportunities provide better outcomes for local residents than the Council could achieve if working on its own. We work in partnership with a variety of stakeholders including staff, residents and businesses.

A 'Healthier Wales' set out a new £100 million transformational programme. It has the expectation that transformational change delivers a 'seamless system of health and social care'. Regional Partnership Boards were required to put a 'Transformational Offer' to Welsh Government setting out proposals of how the Gwent Regional Partnership Board would support the continued development of a 'seamless system' of care, support and well-being, in response to the Welsh Government's new long term plan for health and social care 'A Healthier Wales'. The offer in total for Gwent amounted to £13.4 million of new limited funding over a two year period. Four areas were selected, derived from the priority areas within the Area Plan and the considered directions of the Regional Partnership Board. These include:

- The development of early intervention and prevention services;
- The development of primary and community care services;
- The redesign of child and adolescent emotional and mental health services;
- The development of an integrated 'Home First' discharge model.

Recommendations for Development:

- Further work to be undertaken linked to the findings of the WAO Levers of Change and Service User Perspective review.
- Evaluate the findings of the staff survey conducted during January 2019 and implement change.
- Monitor progress of the Local Well-being Plan.
- Continued implementation of the Council's Engagement Programme as part of the Engagement Strategy.

Core Principle C
Defining outcomes in terms of sustainable economic, social, and environmental benefits.

How we do this:

The Authority has reviewed its priorities, vision and values and these are set out in the Council's Corporate Plan 2018/22. The Corporate Plan acts as the Council's business plan and is directly linked to the priorities in the Well-being Plan. The Corporate Plan was approved by Council on 26th April 2018 and covers the four year period to 2022, in line with the remainder of the term of office until the next local elections. The plan sets out five priority areas, each of which are defined by a number of aims setting out the focus of our activity. The five priorities are:

- Improving the Well-being of People who need Care and Support (Social Services)
- Improving Pupil Outcomes and Well-being (Education)
- Strong and Environmentally Smart Communities
- Economic Development and Regeneration
- Efficient Council

The priority areas will also act as our Improvement Objectives as required by the Local Government (Wales) Measure.

The Wellbeing of Future Generations (Wales) Act 2015 established statutory Public Service Boards (PSBs) to improve the economic, social, environmental and cultural wellbeing across Wales by strengthening joint working across all public services. The Authority is one of five statutory members of the board.

The Blaenau Gwent PSB was established with an agreed Terms of Reference and a PSB Scrutiny Committee has also been set up through our agreed democratic processes. The Well-being Assessment and Well-being Plan have been developed and published with the Council leading on this work.

The Authority has a Strategic Equality Plan that 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. The Authority is committed to the principles of the Wales Procurement Policy that identifies Procurement as a strategic enabler, delivering key policy objectives to support the Council's economic, social and environmental priorities.

The Authority receives a capital allocation from Welsh Government that is used along with the capital receipt reserve to form a capital programme providing a range of sustainable benefits for the Authority. The funding is allocated based on departmental bids for projects. The bids are analysed and scored in line with a set of criteria that consider, amongst other things, the projects alignment with corporate and national priorities.

Review of Effectiveness:

To monitor progress and ensure their relevance there will be an annual review of the Corporate Plan.

Equality Impact Assessments are undertaken against all relevant proposals, and included within the business planning framework and financial efficiency projects. The Annual Report to the Equality and Human Rights Commission was published and submitted within the appropriate timescales.

Welsh Language Standards were agreed by Welsh Government in March 2015. Blaenau Gwent Council were issued with an initial Welsh Standards Compliance Notice in September 2015. Of the 176 standards, the Council was assigned 171 standards. Appropriate challenge for appeal to defer implementation against a number of the standards was submitted to the Office of the Welsh Language Commissioner, in line with the agreed national procedure. This has led to a number of variations in the standards, and the Council has been issued with an updated Compliance Notice in August 2017. The Annual Welsh Language Report was sent to the Office of the Welsh Language Commissioner within the appropriate timescales.

It is a statutory responsibility for the Corporate Director of Social Services to assess the effectiveness of the delivery of Social Services and produce an Annual Report. The Annual Report contributes to and forms part of the Annual Council Reporting Framework (ACRF). The report of the Corporate Director of Social Services was presented to the Social Services Scrutiny Committee in June 2018.

Recommendations for Development:

- Continued implementation and mainstreaming of the Welsh Language Standards across all areas of Blaenau Gwent.
- Continue to support the collective and individual body duties under the Well-being of Future Generations Act.
- Annual review of the Corporate Plan.

Core Principle D
Determining the interventions necessary to optimise the achievement of the intended outcomes.

How we do this:

The Authority has strengthened its Performance Management Framework to ensure a consistent approach and accountability for performance improvement. This process has been aligned to the Risk Management Framework to provide one approach for data collection and monitoring.

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 Project Management Framework has been reviewed as part of the Service Review Programme and areas for improvement identified.

There is a Financial Efficiency Programme in place for 2018/19 and 2019/20 and a Service Review Programme for 2018/19 facilitated by the Strategic Transformation Team. These programmes are designed to identify service improvements, potential savings and alternative models for service delivery.

A Strategic Procurement Board operates to oversee spending decisions, exercising stronger governance in line with its Medium Term Financial Strategy. The board provides challenge with regards to the merits of each spending proposal and ensures a consistent approach to spending in line with the objectives of the Authority.

The corporate reporting format has been designed to guide officers and members to consider the key implications of any proposals put forward. The report has defined areas for considering options appraisal, risk, staffing and financial impact, along with the contribution to the Sustainable Development Principles. This assists in the process for making informed and transparent decisions and ensures the links between budget and planning are considered.

Review of Effectiveness:

The Authority presents the Joint Finance and Performance Report to the Corporate Overview Scrutiny Committee and Executive Committee on a quarterly basis. This report highlights key messages, performance information, workforce information, financial analysis, Financial Efficiency Projects progress, WAO proposals for improvement and directorate and corporate risks.

Self-evaluation arrangements are in place and continue to be refined, requiring each service area to consider how its activities contributed to the achievement of its intended outcomes and support the Council to achieve its goals. The process enables us to gather and use good quality information to better understand how we are performing.

The Strategic Transformation Team receives monthly progress against each Financial Efficiency Project and provides a highlight report to Wider Corporate Leadership Team (WCLT) on a quarterly basis. Evaluation arrangements are in place to continue to refine the reporting and engagement processes.

Progress against the Service Review Programme is monitored through Departmental Management Teams (DMTs) with the Strategic Transformation Team presenting highlight reports to the Corporate Leadership Team (CLT) and Executive Members on a six weekly basis. The programme enables us to gather and use good quality information to better understand how we are performing and make informed decisions about the future delivery of services. A programme of Strategic Business Reviews is currently being developed by Corporate Leadership Team to ensure an improved approach to improvements and identification of alternative delivery models.

The remit of the Strategic Procurement Board has been extended, through amendment to Contract Procedure Rules, providing it with full responsibility for contract approval as agreed by the Constitutional Working Group and Council.

Conclusions and Recommendations for Improvement:

- Review of the Performance Management Framework to ensure alignment with the Corporate Plan.
- Review of the self-evaluation process.
- Further review of Project Management Framework and implementation of results.

Core Principle E
Developing the entity's capacity, including the capability of its leadership and the individuals within it.

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.

Most policy decisions are developed by the Executive Committee, which for 2018/19 has comprised the Leader and four Members with individual portfolio responsibilities. The portfolios were agreed at the Annual General Meeting (AGM) of the Council in May 2018.

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, two Joint Scrutiny Committees, a Public Service Board Scrutiny Committee, 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.

There are four statutory posts in place namely the Head of Paid Service, the Monitoring Officer, the Head of Democratic Services and the Section 151 Officer. These are satisfied by the appointments of the Managing Director, the Head of Legal and Compliance, the Head of Governance and Partnerships and the Chief Officer - Resources, respectively. These post holders are charged with ensuring elected Members receive appropriate advice

There are two further officer roles, namely, the Corporate Director of Education and the Corporate Director of Social Services who undertake statutory functions for Education and Social Services respectively. Two more officer roles are taken up by the position of Corporate Director of Regeneration and Community Services and the Chief Officer – Commercial.

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) and Competency Framework 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. Most officer posts have 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 and include role descriptions and personal specifications for Elected Members. These will include specific role descriptions for senior member roles.

Review of Effectiveness:

In November 2018 the Council received its Level 1 Wales Charter for Member Support and Development awarded by the Welsh Local Government Association, recognising the Authority's good practice in this area. The Member Development Strategy was updated as part of this process. A Member Induction Programme has been implemented and was aligned to the forward work programmes following the local election on 4th May 2017. Procedures for Member Personal Development Reviews (PDR) are in place. The PDR process has been enhanced with the development of a Members Competency Framework which was considered and approved at the AGM in May 2018. This process is mandatory for all senior salary holders and offered to all members.

A revised mentoring scheme for Members has been agreed by Council. Three Members have undergone mentoring training and a further three requests from Members to become mentors have been received as part of the Personal Development Review (PDR) process. Currently two Members have requested to be mentees. The positions of Mayor and Deputy were removed from the Council's establishment at the AGM held in June 2017. They were replaced with the positions of Chair and Vice Chair of Council. These roles do not carry a senior salary. Civic duties are undertaken by the Executive Members and Chair of the Council.

A Corporate Leadership Team (CLT) operates within the Authority, consisting of the Managing Director, supported by departmental Directors. These meetings are minuted and key information is disseminated to all officers through an established reporting structure.

The Authority monitors performance reviews through the management structure, feeding concerns up to CLT as appropriate. There is an established Engagement and Consultation Framework agreed with and in place for trade union involvement which has been reviewed and updated with them this year. An Engagement Strategy was introduced during 2018 which includes staff engagement.

With the austerity measures implemented by the council there continues to be 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 capability and capacity issues as part of the performance review process.

One member of staff has been the subject of the capability process during the period April 2018 – March 2019, and issues have now been resolved.

Nine internal grievance procedures were instigated between April 2018 and March 2019. One remained open at the close of the year.

The Authority has operated a Leadership Programme from January 2016 to 2018 designed to build leadership knowledge and skills in those with managerial responsibilities up to and including WCLT level. The principles of the programme have been adapted for the needs of the services requiring support., and have in the main focused on areas such as Supervisory and First Line Management and included topics such as Code of Conduct, Visioning and Values, Effective Performance Coaching and Assertiveness. A staff survey was undertaken in January 2019 to gauge current opinions and identify further areas requiring support.

The Managing Director has undertaken phase 1 of a Senior Management Review looking at the current and future requirements of leadership roles within the council. Appointment to these roles was concluded in late 2018. Phase 2 of the Senior Management Review is underway with some areas completed.

Recommendations for Development:

- Conclude phase 2 of the Senior Management Review.
- Production of job descriptions and person specifications for the roles of Chair and Vice Chair of the Public Services Board Scrutiny Committee.
- Analyse the findings of the staff survey and implement required actions.

Core Principle F
Managing risks and performance through robust internal control and strong public financial management.

How we do this:

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 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 Joint Finance and Performance Report which highlights progress in relation to finance, performance, risk and financial efficiency.

The Council has a corporate policy in place to deal with complaints that the Council has adopted. A review of monitoring the complaints has been undertaken and new processes and nominated officers have been identified. The monitoring of complaints has been identified as a key measure within the Council's Corporate Plan. Complaints information is

now included within the Joint Finance and Performance Report and annual Corporate Plan report.

An Audit Committee has been established in line with the requirements of the Local Government (Wales) Measure receiving reports from internal and external regulators on the internal control environment, risk and governance. The Committee provides appropriate challenge and seeks assurance in line with its terms of reference that are included in the constitution.

As a Local Authority it is necessary that we collect and use personal information to perform many of our day-to-day operations. The General Data Protection Act (GDPR) is the most comprehensive and significant change to Data Protection in 20 years. The Council established a Corporate Project Group in April 2017 to manage the preparatory work for GDPR compliance. The Council's 'Information & Governance Officer' was assigned the statutory role of Data Protection Officer and the post retitled 'Data Protection and Governance Officer' to reflect this.

The Council implemented an Information Asset Owner structure to establish clear lines of responsibility for information management. Information Asset Registers are in place for each Department to provide corporate oversight of all key information systems and to risk assess in terms of confidentiality, integrity and availability. The Council has also created a Record of Processing Activities to drill down into the necessary level of detail required under GDPR and identify the lawful basis for processing all the different types of personal data that it holds. The Council has a number of Information Governance policies and procedures to manage compliance with its statutory obligations.

Review of Effectiveness:

The Authority's key governance systems continue to be risk assessed and included in the annual audit plan. Two key governance systems were subject to an internal audit, namely Financial Efficiency Projects from 17/18 and 18/19. The findings of these audits have not yet been reported to the Audit Committee due to their timing but will be reported as appropriate during 2019/20. A follow-up audit of the Absence Management process was completed and progress against recommendations was found to be poor. This was escalated to CLT who have committed to undertake the necessary actions for improvement. In addition, further implementation of the functionality of the iTrent HR and Payroll system will improve controls in this process.

The Risk Management Strategy and Handbook were reviewed and adopted by Council in February 2018. The Risk and Insurance Manager attends quarterly Departmental Management Team meetings to facilitate challenge / discussions on directorate risks. This has resulted in a more consistent approach to risk evaluation and reporting becoming embedded across the Council.

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 deliver and sustain the changes required to ensure that vital services are	Vital services will not be protected if the Council fails to find more efficient ways

prioritised within the financial constraints faced by the Council.	of working and improvements to social, economic and environmental well-being of the areas will not be achieved.
Failure to deliver the Council's priorities within the agreed annual budget.	Increased use of emergency finance measures and the drawdown of reserves.
Failure of schools in Blaenau Gwent to adapt and change accordingly to the new curriculum and national agenda of the Welsh Government as laid out in the National reform agenda document "Education for Wales: Our national Mission".	Failure to deliver improvements in educational attainment and progress and an inability to offer a broad range of educational opportunities which will ultimately result in an adverse impact on pupil life chances and affect the realisation of full potential.
Exiting the EU will have an adverse impact at a national and local level.	Impact on the community and on the Council and its ability to deliver public services.
Failure to improve staff 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.
Failure of the Council to manage its information assets in accordance with requirements set down within legislation	Financial penalties and possible sanctions that hinder service delivery.
Increasingly complex needs and demand for services provided by Social Services, in particular for Looked After Children.	Further significant pressure on the Council's budget.
The Financial resilience of the council could be at risk if the council does not ensure that financial planning and management decisions support long term stability and sustainability.	Inability to deliver effective / lower quality services. Unplanned reduction of services provided.

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

All financial efficiency and service review projects are risk assessed using the Corporate Risk Management Framework. Decisions on managing those risks are agreed and monitored as part of the project management arrangements that are in place. A service review was undertaken of Project Management and recommendations for improvement were identified.

All Data Impact Assessments are approved by the Data Protection and Governance Officer to ensure that there are effective controls in place to mitigate the risk of a Data Protection Breach. Where a Data Protection Incident is reported, the Data Protection & Governance Officer will investigate the cause and review the responsible service area controls to ensure they are effective. The Data Protection & Governance Officer, Information Governance Forum and the Council's Senior Information Risk Officer (SIRO) review the Council's information governance arrangements to ensure they are fit for purpose.

Recommendations for Development:

- To assess and demonstrate its compliance with the Local Government Measure and the aims and objectives of the Council, the annual report of the audit committee will be produced summarising the 2018/19 year's activity and evidencing their responsibilities as part of the governance arrangements.
- Regular review of Risk Management arrangements to ensure they remain fit for purpose and are implemented consistently.
- As part of the Authority's ongoing commitment to managing its risks, the Anti-Fraud, Anti-Corruption and Anti-Bribery Policy will be reviewed and updated as appropriate.
- Continued inclusion of key governance systems in the internal audit plan to ensure key elements of the governance framework are prioritised and examined annually.
- IT (SRS) support required in terms of due diligence of IT applications / providers, the ability to respond to subject access requests, data breach identification and secure disposal of personal information stored in IT applications.

Core Principle G
Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

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 Contract Procedure Rules have been adopted to ensure consistency, transparency and value for money in financial management and procurement. The Chief Officer Resources ensures the Authority's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016). An annual Statement of Accounts is produced and presented to Members for scrutiny. A period of public consultation is held where members of the public can inspect the accounts.

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. This is achieved in part through the Committee receiving this Annual Governance Statement. 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 Social Services Directorate is subject to audit, inspection and review by the Care Inspectorate for Wales (CIW). On a quarterly basis the Director of Social Services and Heads of Adult and \children's Services meet with CIW to discuss achievements, performance and key challenges. The Directorate is scrutinised by the Social Services Scrutiny Committee. Regular liaison meetings are held with the Directorate, the Executive Member and the Chair and Vice Chair of the Scrutiny Committee.

The Social Services and Well-Being (Wales) Act 2014 places a statutory duty on all local authorities to produce an annual report on the discharge of its social services functions. The Council's arrangements to meet their safeguarding responsibilities are scrutinised by the Joint Education & Learning and Social Services (Safeguarding) Scrutiny Committee. The Committee exists to monitor and challenge, in order to make improvements and ensure the Council's safeguarding processes are effective.

Council meetings are held open to the public and minutes are published on the Authority's website. A number of meetings have previously been webcast. A report on webcasting provision has been considered by the Democratic Services Committee detailing options. Since this time, CLT have looked to support and implement Office 365 which will also support the provision of webcasting.

Review of Effectiveness:

The Council strives to ensure continuous improvement in the delivery of its services through its improvement planning process and the Performance Management Framework. It has strengthened these arrangements to align them with risk management and project management as well as identifying levels of accountability.

The remit of the WCLT is to effectively support the CLT in its role of providing strategic direction to the organisation. It is a forum to disseminate information and communicate messages ensuring a one council approach as well as networking with colleagues and peers and providing personal development opportunities.

A performance management system, utilised by the whole Council is in place which incorporates the majority of the Councils business planning and performance arrangements, so that we have one place for information management and monitoring. The system works to avoid duplication and to provide a consistent approach across the Council. The system includes statutory monitoring as well as business plans, self-evaluations, equalities, risk, projects, business continuity, performance indicators and sustainable development.

The Authority's assurance arrangements conform to 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. The service underwent an external quality assessment during 2016/17 that found the service to conform to the Public Sector Internal Audit Standards.

Internal Audit Services issued 45 audit opinions during the year.

Audit Grading	No of audits
Full Assurance	20
Reasonable Assurance	20
Limited Assurance	5
No Assurance	0

There were no No Assurance audit gradings issued during the financial year compared to 2 in 2017/18 and Limited Assurance audit gradings issued increased from 2 to 5. In addition a further 5 Limited Assurance gradings have been issued on a provisional basis but have not yet been cleared for accuracy with the services involved. The number of investigations concerning minor incidences of petty theft and improper use of the Authority's assets/resources has continued to decrease. The approach to financial systems audits changed during 2018/19, with a number of systems now being conducted via Control Risk Self-Assessment (CRSA). Results of Financial Systems audits continue to show improvement and the number to be undertaken using CRSA will increase further for 2019/20. Whilst the Limited Assurance gradings have increased during the year, subject to the provisional reports being finalised, there are no patterns or themes to the findings that cause undue concern. Consequently the overall audit opinion on the adequacy of the internal control environment will continue to reflect Reasonable Assurance across the council. The WCLT continues to receive periodic reviews of Internal Audit findings to ensure appropriate corrective action is taken to maintain and / or improve internal controls.

The Authority received and processed 1048 Freedom of Information requests during the year, an increase on the 826 received in the previous year. The service areas have improved their response times with 92.27% of the requests being responded to within 20 working days compared to 89.79% in the previous year. This is comparable to other Welsh authorities.

Recommendations for Development:

- Managers to implement the actions identified to address weaknesses highlighted by Internal Audit. Meetings are undertaken with the Wider Corporate Leadership Team, in addition to responsible Officers, and timescales are set for implementation. Managers to ensure systems for which they have responsibility have robust internal controls to further improve the integrity of the Authority's processes.
- The Anti-Fraud, Anti-Corruption and Anti-Bribery Policy will be reviewed to ensure it remains fit for purpose.
- CLT to consider a scoping exercise for webcasting meetings linked to implementation of Office 365.

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 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 quarterly portfolio budget forecast reports.</p> <p>The provisional outturn for 2018/19 is an adverse variance position of £0.07m. This is after the net use of reserves of £0.8m, mainly used to assist in addressing one off, in year planned expenditure. However, the general reserve increased by £0.41m at the 31st March 2019 due to an additional contribution and a number of technical adjustments when compiling the Statement of Accounts.</p> <p>As part of the 2018/19 budget setting process, Financial Efficiency projects totalling £3.8m were developed and approved.</p> <p>Quarterly progress reports on the financial efficiency projects are provided to WCLT, the Executive Committee, and Joint Budget Scrutiny as part of the quarterly budget monitoring report. As at March 2019 the Financial Efficiency Projects identified for 2018/19 (either as part of the budget setting process or subsequently) have achieved £3.5m (92%) of the agreed savings proposals. A further £3.4m savings proposal has been agreed by Council and built into the 2019/20 base budget.</p> <p>For the medium term</p>	<p>Chief Officer Resources</p>

	<p>future, the Council intends to carry out a number of strategic business reviews which will focus on its core functions including:</p> <ul style="list-style-type: none"> • Maximising Income • Maximising Resources • Demand Management • Maximising technology and data <p>Within this framework the Authority will be looking at ways to achieve savings whilst mitigating the impact on services.</p>	
Social Services historic abuse insurance claims.	In accordance with proper accounting practice, the Authority's Accounts include appropriate provisions and reserves to mitigate potential liabilities for historic claims, calculated on the basis of currently held information.	Corporate Leadership Team
The Wales Audit Office received some correspondence towards the end of its 2016/17 audit. As the investigation by WAO into the issues raised in the correspondence has not been finalised, the Council is yet to receive an audit opinion or certificate of audit completion for the 2016/17 or 2017/18 Accounts.	The Authority's Accounts for 2018/19 have been prepared in compliance with statutory requirements, relevant accounting Codes and Standards. There has been no change in accounting treatment for those issues in question, pending the outcome of investigations by the police and Wales Audit Office.	Chief Officer Resources

Certification of the Annual Governance Statement

In conclusion there has been positive movement for the Authority's Governance Framework during 2018/19 and the progress made against the areas for improvement identified in the 2017/18 Annual Governance Statement are shown in Appendix B.

Whilst there remain some areas that require development or further improvement, in considering the governance framework and its application as detailed in this statement, we are of the opinion that the governance arrangements in place for Blaenau Gwent County Borough Council are effective and remain fit for purpose, providing an adequate level of assurance for the Council.

(signed).....

(signed).....

Councillor Nigel Daniels

Rhian Hayden

Leader of the Council

Chief Officer Resources

September 2019

September 2019

(signed).....

Michelle Morris

Managing Director

September 2019

WAO Proposals for Improvement Issued During 2018/19

WAO Scrutiny Fit for the Future (Issued June 2018)	
<i>WAO Proposals for Improvement</i>	
The Council's scrutiny function could be strengthened by:	
1.	<p>Improving the provision of training and development opportunities for members to:</p> <ul style="list-style-type: none"> • Provide further training on the Well-being of Future Generations Act for scrutiny members to improve their understanding and consideration of the Act when undertaking scrutiny activity; • Understand the individual development needs of members and deliver relevant scrutiny skill training; and • Develop member questioning skills to improve member questioning and constructive challenge.
WAO 'speak my language: Overcoming language and communication barriers in public services (Issued April 2018)	
<i>WAO Recommendations</i>	
Ensuring that people who face language and communication barriers can access public services	
1.	<p>Public bodies are required to ensure that people can access the services they need. To take account of the requirements of the 2010 Equality Act and other legislation, we recommend that public bodies regularly review the accessibility of their services to people who do not speak English or Welsh as a main language including Deaf people who use sign language. This assessment can include using our checklist.</p>
WAO Supporting Financial Resilience (Issued September 2018)	
<i>WAO Proposals for Improvement</i>	
Support Financial Resilience by:	
1.	<p>The Council should review its administration of Council Tax to ensure prompt and efficient collection. In particular it should:</p> <ul style="list-style-type: none"> • Review it's Council Tax collection arrangements with the aim of increasing in-year collection rates; and • Compare its Council Tax staffing costs with other Wales councils to understand the apparent cost variations and identify potential opportunities for cost savings.
2.	<p>The Council should manage grants strategically alongside other funding streams. In particular it should:</p> <ul style="list-style-type: none"> • Better integrate the applications for grants into the budget setting process

	<p>(where possible);</p> <ul style="list-style-type: none"> • Maintain central records of potential and successful grant applications to support a strategic overview of this funding stream; and • Review the grants made by the Council to ensure they provide value for money.
3.	<p>The Council should provide robust challenge in the setting of fees and charges to ensure they support delivery of its strategic priorities. In particular:</p> <ul style="list-style-type: none"> • Develop an income generation policy to support delivery of the Council's strategic priorities; • Central finance should issue clear instructions in to managers about increases in fees and charges taking account of relevant external influences; • Services should comply with budget instructions in respect of increases in fees and charges; • Central finance should carry out robust checks to challenge and confirm compliance with budget instructions; and • Budgeted income should reflect agreed levels of fees and charges and anticipated activity levels.
4.	<p>To deliver the 2018-19 budget, the Council should respond constructively to 2017-18 budget imbalances, that may reoccur in 2018-19, utilising the skills of the Central Finance Team, Strategic Transformation Team and budget holders. In particular the Council should:</p> <ul style="list-style-type: none"> • Critically review and learn from the 2017-18 revenue budget overspends and underspends to identify reasons for imbalances for future year budgets; • Take action to ensure weaknesses identified do not reoccur • Maximise the potential of the strategic transformation team • Improve monitoring of savings projects and take clear corrective action to address anticipated under-delivery and address the root causes; • Review skills, capability and development needs of budget holders and provide training support to meet them; • Ensure Central Finance lead on and facilitate a robust financial culture throughout the organisation.
5.	<p>In planning for the 2019-20 budget the Council should improve accountability throughout the organisation for the setting and delivery of the 2019-20 and future budgets. In particular it should:</p> <ul style="list-style-type: none"> • Identify budget / service imbalances from 2017-18 and forecasts in 2018-19 • Decide whether overspending is to be funded through extra budget or managed down by management action • Decide whether underspending can be maintained and reallocate budget accordingly • Introduce workforce planning to the budget setting process • Improve accountability for budget setting and delivery • Strengthen budget management by holding budget holders to account and take early corrective action
6.	<p>The Council should maintain careful budgetary controls to ensure unforeseen budget pressures do not result in the General Reserve reducing below its minimum target level.</p>
7.	<p>The Council should use data more effectively in managing finances and performance and in setting its budget to achieve and demonstrate value for money. In particular it</p>

	<p>should:</p> <ul style="list-style-type: none"> • Review membership of external networks / professional organisations and ensure clear outputs that will benefit the Council's improvement agenda; • Better embed data into its performance and financial management arrangements; and • Use data more effectively in the budget setting process to identify value for money opportunities.
WAO Public Procurement in Wales (Issued September 2018)	
WAO Recommendation	
1.	We recommend that public bodies review their procurement strategies and policies during 2017-18 and on an annual basis thereafter to ensure that they reflect wider policy and legislative changes and support continuous improvement.
WAO Strategic Commissioning of accommodation services for adults with Learning Disabilities (Issued May 2018)	
WAO Recommendations	
1.	<p>We recommend that local authorities continue to focus on preventing people becoming dependent on more expensive placements in care homes by providing effective support at home and a range of step up accommodation by:</p> <ul style="list-style-type: none"> • Improving the evaluation of prevention activity so local authorities understand what works well and why; • Utilising the mapping of prevention services under the Social Services and Well-being (Wales) Act 2014 that covers other agencies and service providers; • Improving the signposting of additional help so carers and support networks can be more resilient and self-reliant. This should include encouraging carers to make long term plans for care to maintain and protect their dependant's wellbeing; and • Sharing risk analysis and long term planning data with local authorities, service providers, and partners to agree a shared understanding of the range of options.
2.	<p>We recommend that local authorities:</p> <ul style="list-style-type: none"> • Improve the approach to planning services for people with learning disabilities by building on the Regional Partnership • Boards population assessments for people with learning disabilities and agreeing future priorities
3.	<p>We recommend that local authorities do more to integrate commissioning arrangements with partners and providers and take account of the work of the National Commissioning Board by::</p> <ul style="list-style-type: none"> • Understanding the barriers that exist in stopping or hindering further integration; • Improving the quality of joint strategic plans for learning disability services (see also paragraphs 3.11 – 3.14); • Establishing investment models and sustainable financial structures, joint

	<p>workforce planning and multi-year budgeting; and</p> <ul style="list-style-type: none"> • Developing appropriate governance and data sharing frameworks with key local partners that include a clear process for managing risk and failure.
4.	<p>We recommend that local authorities do more to involve people with learning disabilities and their carers in care planning and agreeing pathways to further independence by::</p> <ul style="list-style-type: none"> • Consistently including people with disabilities and their carers in the writing, monitoring and development of care plans; • Systematically involving carers and advocacy groups in evaluating the quality of services; • Involving people with learning disabilities in procurement processes; and • Ensuring communications are written in accessible and appropriate language to improve the understanding and impact of guidance and information.
5.	<p>We recommend that local authorities collaborate with providers, the third sector and suppliers in understanding challenges, sharing data, and pooling expertise by:</p> <ul style="list-style-type: none"> • Improving the quality range, and accessibility of tendering information; and • Working with providers to shape local markets by coming to a common understanding of the opportunities, risks, and future priorities in providing learning disabilities services.
6.	<p>We recommend that local authorities develop a more appropriate set of performance indicators and measures of success that make it easier to monitor and demonstrate the impact of service activity by:</p> <ul style="list-style-type: none"> • Co-designing measures, services and contract performance indicators with service providers, people with learning disabilities and their carers; • Ensure commissioners have sufficient cost and qualitative information on the full range of placement and care options available; • Equipping commissioners with data to demonstrate the long term financial benefits of commissioning choices, this includes having the right systems and technology; • Integrating the outcomes and learning from different types of interventions and placements; and • Including learning disability services in local authority scrutiny reviews to challenge performance and identify improvements.

Details of progress against these proposals can be obtained from the Governance and Partnerships Department.

Appendix B

Recommendation for Improvement made in the 2017/18 Annual Governance Statement	Action Undertaken during 2018/19	Further Action Required
Core Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.		
Continued adherence to the Authority's policies and procedures which exist to guide Members and Officers to comply with the Council's expectations in terms of acting with integrity.	A risk based audit plan was operated for 2018/19 which included examination of the Authority's policies and procedures.	The audit plan for 2019/20 will include testing a range of policies and procedures.
To evidence robust application of the Authority's code of Conduct, an Internal Audit review of the declarations of interest process will be undertaken	An audit of the Authority's Code of Conduct for Officers was not conducted during 2018/19 but has been rescheduled for 2019/20.	The audit plan for 2019/20 will include an audit of the Authority's Code of Conduct for Officers
Review / update the Whistleblowing Policy.	The Whistleblowing Policy has been reviewed and will be presented to Council in May 2019 for approval.	
Application of the Members Performance Development Review (PDR) Scheme and competency framework.	The Elected Member Performance Development Review Scheme has been enhanced with the development of a Local Competency Framework. In 2017/18 all senior salary holders undertook a PDR and competency framework review that was externally facilitated. From this individual action plans have been developed.	It is intended that the non-senior salary holders will be offered a PDR and competency framework review following the AGM in May 2019 and that Senior Salary holders will be reviewed again in late 2019.
In line with good practice, an annual review (as a minimum) of the Constitution and Scheme of delegation to ensure the Authority's governance and decision making processes remain fit for purpose	The Constitution and Scheme of Delegation is being reviewed at the Annual General Meeting of Council in May 2019.	
Core Principle B – Ensuring openness and comprehensive stakeholder engagement.		
Development of a council engagement strategy covering public and staff is under development.	The Engagement Strategy has been developed.	Further work to be undertaken linked to the findings of the WAO Levers of Change and Service User Perspective reviews.
Conduct a staff survey during Autumn 2018.	Staff survey conducted in 2019	Evaluate findings and implement changes.

Monitor progress of the Local Well-being Plan.	On-going monitoring of progress of the Local Well-being Plan.	On-going monitoring of progress of the Local Well-being Plan.
Continued implementation of the Blaenau Gwent We Want Engagement Programme.	Ongoing implementation of the Blaenau Gwent We Want Engagement Programme.	Ongoing implementation of the Council's Engagement Programme.
Core Principle C – Defining outcomes in terms of sustainable economic, social, and environmental benefits.		
Continued implementation and mainstreaming of the Welsh Language standards across all areas of Blaenau Gwent	Responsibility for the implementation and mainstreaming of the Welsh Language standards has been disseminated to departments	Consider findings from the Commissioner and implement as appropriate.
Continue to support the collective and individual body duties under the Well-being of Future Generations Act	A report of year 1 of the Well-being Objectives has been completed and approved by Council in October. The Commissioners office has reviewed the plan. A self-assessment of year 1 has also been completed for the Commissioner.	
Annual review of the Corporate Plan	An annual review of the Corporate Plan is scheduled.	An annual review of the Corporate Plan is scheduled.
Core Principle D – Determining the interventions necessary to optimise the achievement of intended outcomes.		
Review of the Performance Management Framework to ensure alignment with the Corporate Plan.	Project management was reviewed as part of the FEP process. The review made a number of recommendations. Until this exercise is completed the Project Management process will be excluded from the business planning template (although project management guidance and templates are still in use).	Implementation of the recommendations from the Project Management FEP. Review of the Performance Management Framework is to be undertaken.
Further embedding of the Transforming Blaenau Gwent Programme and ongoing review to ensure it continues to support improved service delivery throughout the Council	A Financial Efficiency Programme and Service Review Programme for 2018/19 were developed and implemented.	A Financial Efficiency Programme and Service Review Programme for 2019/20
Review of the Project Management Framework and implementation of	Implementation of the recommendations from the Project Management FEP	

results.		
Core Principle E – Developing the entity’s capacity, including the capability of its leadership and the individuals within it.		
Retain Members Charter Level 1 following resubmission.	Level 1 of the Wales Charter for Member Support and Development retained	
Utilisation of the Member Competency Framework as part of the PDR process.	Member competency framework utilised throughout the year and further training needs identified.	Develop and implement training based on the needs identified through the PDR process.
Conduct staff survey during Autumn 2018.	Staff survey undertaken in January 2019.	Analyse findings of the staff survey and implement actions required.
Conclude phases 1 and 2 of the Senior Management Review.	Phase 1 of the Senior Management Review completed.	Complete Phase 2 of the Senior Management Review.
Core Principle F – Managing risks and performance through robust internal control and strong public financial management		
To assess and demonstrate its compliance with the Local Government Measure and the aims and objectives of the Council, an annual report of the audit committee will be developed summarising the year’s activity and evidencing their responsibilities as part of the governance arrangements.	An annual report of the audit committee for 17/18 was produced and presented to the September 2018 Committee meeting.	An annual report for 2018/19 will be produced and reported to the Audit Committee during 2019.
Regular review of Risk Management arrangements to ensure they remain fit for purpose and are implemented consistently.	Corporate Risk Register reported to CLT quarterly and to Members as part of the Joint report. Risk & Insurance Manager also available to advise Managers on team / service risks. Risk & Insurance Manager attends quarterly DMT’s to facilitate / challenge discussions on Directorate risks;	
As part of the Authority’s ongoing commitment to managing its risks, the anti-fraud, anti-corruption and anti-bribery policy will be reviewed and updated as appropriate	The Anti-Fraud, Anti-Corruption and Anti-Bribery Policy was not reviewed during the period	The Anti-Fraud, Anti-Corruption and Anti-Bribery Policy will be reviewed during 2019/20.
Continued inclusion of key governance systems in the internal audit plan to ensure key elements of the governance framework are	A number of key governance systems were audited during 2018/19 and findings reported to the appropriate service areas for action.	The risk based audit plan for 2019/20 has prioritised a number of key governance systems for audit during 2019/20.

prioritised and examined annually		
Data Protection Training – mandatory e-learning is to be introduced. Staff training and awareness is a key control measure that must be addressed through a mixture of e-learning and face to face delivery methods.	Data Protection Training was rolled out to staff during 2018/19.	
Core Principle G – Implementing good practices in transparency, reporting, and audit, to deliver effective accountability		
Managers to implement the actions identified to address weaknesses highlighted by Internal Audit. Meetings are undertaken with the Wider Corporate Leadership Team, in addition to responsible Officers, and timescales are set for implementation. Managers to ensure systems for which they have responsibility have robust internal controls to further improve the integrity of the Authority's processes.	Each audit finding has been responded to with an appropriate action identified by management. An audit follow-up process has been undertaken retesting the weaknesses identified and reporting findings to senior managers and Audit Committee as appropriate.	A programme of follow-up audits will be undertaken during 2019/20.
The Anti-Fraud, Anti-Corruption and Anti-Bribery Policy will be reviewed to ensure it remains fit for purpose	The Anti-Fraud, Anti-Corruption and Anti-Bribery Policy was not reviewed during the period	The Anti-Fraud, Anti-Corruption and Anti-Bribery Policy will be reviewed during 2019/20.
Conduct a scoping exercise for webcasting meetings.	CLT are considering the webcasting of meetings as part of a larger Office 365 project.	

This page is intentionally left blank

Our ref: NB

Ask for: Communications



01656 641150

Date: 7 August 2019



communications
@ombudsman-wales.org.uk

Nigel Daniels
Council Leader
Blaenau Gwent County Borough Council

By Email Only
nigel.daniels@blaenau-gwent.gov.uk

Dear Councillor Nigel Daniels

Annual Letter 2018/19

I am pleased to provide you with the Annual letter (2018/19) for Blaenau Gwent County Borough Council. This year I am publishing my Annual Letters as part of my Annual Report and Accounts. I hope the Council finds this helpful and I trust this will enable it to review its own complaint handling performance in the context of other public bodies performing similar functions across Wales.

Whilst overall the number of complaints received relating to local authorities across Wales increased from 794 to 912, I am pleased that local authorities continue to work with my office to resolve many of these complaints at an early stage. This provides complainants with appropriate and timely remedies avoiding the need for my office to fully investigate complaints.

A summary of the complaints of maladministration/service failure received relating to the Council is attached.

Also attached is a summary of the Code of Conduct complaints relating to members of the Council and the Town & Community Councils in your area.

Page 1 of 7



The Public Services Ombudsman (Wales) Act 2019 has now been introduced. I am delighted that the Assembly has approved this legislation giving the office new powers aimed at:

- Improving access to my office
- Providing a seamless mechanism for complaint handling when a patient's NHS care is inextricably linked with private healthcare
- Allowing me to undertake own initiative investigations when required in the public interest
- Ensuring that complaints data from across Wales may be used to drive improvement in public services for citizens in Wales.

I am very much looking forward to implementing these new powers over the coming year.

Action for the Council to take:

- Present my Annual Letter to the Cabinet to assist Members in their scrutiny of the Council's performance
- Work to reduce the number of cases which require intervention by my office
- Inform me of the outcome of the Council's considerations and proposed actions on the above matters by **31 October 2019**.

This correspondence is copied to the Chief Executive of your Council and to your Contact Officer. Finally, a copy of all Annual Letters will be published on my website.

Yours sincerely



Nick Bennett
Public Services Ombudsman for Wales

CC: Michelle Morris, Managing Director
Angela O'Leary, Contact Officer

Factsheet

A. Complaints Received and Investigated with Local Authority average adjusted for population distribution

Local Authority	Complaints Received	Average	Complaints Investigated	Average
Blaenau Gwent County Borough Council 2018/19	8	20	0	0
Blaenau Gwent County Borough Council 2017/18	10	17	0	0
Bridgend County Borough Council	33	41	0	1
Caerphilly County Borough Council	65	51	1	1
Cardiff Council	115	103	0	2
Carmarthenshire County Council	49	53	1	1
Ceredigion County Council	23	21	0	0
City and County of Swansea	83	70	0	2
Conwy County Borough Council	41	33	2	1
Denbighshire County Council	26	27	1	1
Flintshire County Council	50	44	2	1
Gwynedd Council	32	35	2	1
Isle of Anglesey County Council	31	20	2	0
Merthyr Tydfil County Borough Council	15	17	0	0
Monmouthshire County Council	20	27	0	1
Neath Port Talbot County Borough Council	38	40	1	1
Newport City Council	38	43	0	1
Pembrokeshire County Council	35	35	0	1
Powys County Council	67	38	4	1
Rhondda Cynon Taf County Borough Council	36	68	0	2
Torfaen County Borough Council	12	26	1	1
Vale of Glamorgan Council	24	37	0	1
Wrexham County Borough Council	45	38	3	1
Grand Total	886		20	

B. Complaints Received by Subject

Blaenau Gwent	Complaints Received
Children Social Services	1
Complaint Handling	2
Environment and Environmental Health	2
Planning and Building Control	1
Roads and Transport	1
Various Other	1

C. Comparison of complaint outcome with average outcome for Local Authorities, adjusted for population distribution

Local Authority	Out of Jurisdiction	Premature	Other cases closed after initial consideration	Early Resolution / Voluntary settlement	Discontinued	Other Report - Not upheld	Other Report - Upheld in whole or in part	Public Interest Reports
2018/19								
Blaenau Gwent	2	2	1	2	-	-	-	-
Blaenau Gwent (adjusted)	4	6	7	3	0	0	0	0
2017/18								
Blaenau Gwent	2	3	3	1	0	0	2	0
Blaenau Gwent (adjusted)	3	5	6	2	0	0	0	0

D. Number of cases with PSOW intervention

Local Authority	No. of complaints with PSOW intervention	Total number of complaints closed	% of cases with PSOW intervention
Blaenau Gwent County Borough Council 2018/19	2	7	29%
Blaenau Gwent County Borough Council 2017/18	3	11	27%
Bridgend County Borough Council	6	36	17%
Caerphilly County Borough Council	8	68	12%
Cardiff Council	19	110	17%
Carmarthenshire County Council	4	48	8%
Ceredigion County Council	5	24	21%
City and County Swansea	10	80	13%
Conwy County Borough Council	5	39	13%
Denbighshire County Council	4	30	13%
Flintshire County Council	16	56	29%
Gwynedd Council	6	35	17%
Isle of Anglesey County Council	5	31	16%
Merthyr Tydfil County Borough Council	0	14	0%
Monmouthshire County Council	0	23	0%
Neath Port Talbot County Borough Council	4	40	10%
Newport City Council	7	43	16%
Pembrokeshire County Council	6	33	18%
Powys County Council	11	64	17%
Rhondda Cynon Taf County Borough Council	4	34	12%
Torfaen County Borough Council	1	12	8%
Vale of Glamorgan Council	7	30	23%
Wrexham County Borough Council	8	43	19%

E. Code of Conduct Complaints Closed

Local Authority	Closed after initial consideration	Discontinued	No evidence of breach	No action necessary	Refer to Standards Committee	Refer to Adjudication Panel	Withdrawn	Total
2018/19								
Blaenau Gwent	-	-	1	-	-	-	-	1
2017/18								
Blaenau Gwent	3	1	-	-	-	-	-	4

F. Town/Community Council Code of Conduct Complaints

Town/Community Council	Closed after initial consideration	Discontinued	No evidence of breach	No action necessary	Refer to Standards Committee	Refer to Adjudication Panel	Withdrawn	Total
Abertillery & Llanhilleth CC	-	-	1	-	-	-	-	1

Appendix

Explanatory Notes

Section A compares the number of complaints against the Local Authority which were received and investigated by my office during 2018/19, with the Local Authority average (adjusted for population distribution) during the same period.

Section B provides a breakdown of the number of complaints about the Local Authority which were received by my office during 2018/19. The figures are broken down into subject categories.

Section C compares the complaint outcomes for the Local Authority during 2018/19, with the average outcome (adjusted for population distribution) during the same period.

Section D provides the numbers and percentages of cases received by my office in which an intervention has occurred. This includes all upheld complaints, early resolutions and voluntary settlements.

Section E provides a breakdown of all Code of Conduct complaint outcomes against Councillors during 2018/19.

Section F provides a breakdown of all Code of Conduct complaint outcomes against town or community councils.

Feedback

We welcome your feedback on the enclosed information, including suggestions for any information to be enclosed in future annual summaries. Any feedback or queries should be sent via email to communications@ombudsman-wales.org.uk

This page is intentionally left blank

Progress Against Activities Undertaken for the period 1st July 2019 - 30th September 2019

The progress against each task undertaken by the Internal Audit Section during the period is as follows:

Internal Control Classification	<p>Full Assurance - Minimal or no risks identified.</p> <p>Reasonable Assurance - Controls appear to be operating effectively, however some weaknesses have been identified.</p> <p>Limited Assurance - Weaknesses have been identified with an increased risk to the Authority.</p> <p>No Assurance - Unacceptable risks identified.</p>
--	---

Audit Area	Audit Scope	Grading	Progress / Comments
Resources			
Financial Services			
Education Improvement Grant	Internal Audit review to ensure compliance with the grant terms and conditions including signing the Grant Certificate for Welsh Government.	Full Assurance	Audit certificate and audit report issued in July 2019.
Pupil Development Grant	Internal Audit review to ensure compliance with the grant terms and conditions including signing the Grant Certificate for Welsh Government.	Full Assurance	Audit certificate and audit report issued in July 2019.
Creditors - Reconciliation (18/19)	To determine the effectiveness of the internal controls operating in respect of the Creditors Reconciliation process.	Limited Assurance	Final report issued in July 2019. 1 weakness was identified classified as high risk. The Manager has agreed an appropriate action to mitigate the weakness identified. The Internal Audit Summary report is attached at Appendix B1.
Budgetary Control - Monitoring (CRSA)	To determine the effectiveness of the internal controls operating with regards to the Budget Monitoring process. A Control Risk Self Assessment (CRSA) methodology has been used for this audit.	Not Applicable	A review commenced in July 2019. Audit planning ongoing.
Reserves and Balances Protocol	To determine the effectiveness of the internal controls operating in respect of Reserves and Balances protocols.	Full Assurance	Final report and certificate issued in August 2019. No weaknesses were identified.
Revenue Services			
Debtors System (CRSA)	To determine the effectiveness of the internal controls operating with regards to the Debtors System . A Control Risk Self Assessment (CRSA) methodology has been used for this audit.	Not Applicable	A review commenced in July 2019. Audit planning ongoing.
Social Services Debtors (CRSA)	To determine the effectiveness of the internal controls operating with regards to the Debtors System for Social Services. A Control Risk Self Assessment (CRSA) methodology has been used for this audit.	Not Applicable	A review commenced in July 2019. Audit planning ongoing.
NNDR (CRSA)	To determine the effectiveness of the internal controls operating with regards to the NNDR process. A Control Risk Self Assessment (CRSA) methodology has been used for this audit.	Not Applicable	A review commenced in July 2019. Audit testing ongoing.
Council Tax (CRSA)	To determine the effectiveness of the internal controls operating with regards to the Council Tax System. A Control Risk Self Assessment (CRSA) methodology has been used for this audit.	Not Applicable	A review commenced in September 2019. Audit planning ongoing.
Audit, Insurance & Risk Management			
Insurance	To determine the effectiveness of the internal controls operating within the Insurance section with regards to Public Liability Claims.	Not Applicable	A review commenced in May 2019, Audit report being reviewed.

Commercial			
Customer Services			
Cashiers	To determine the effectiveness of the internal controls operating with regard to Cashiers System.	Full Assurance	Final report issued in July 2019. No weaknesses were identified.
Digital & IT			
Backup and Retention Follow Up Audit	Follow up review to determine the action taken on the weaknesses made as a result of the audit.	Not Applicable	A review commenced in May 2018 to ensure the 6 weaknesses agreed as a result of the audit had been fully implemented, a meeting is to be arranged to agree an action plan.
Procurement			
Purchasing	To determine the effectiveness of the key controls with regard to the Purchasing System to include the Creditor Payments system in each directorate.	Not Applicable	A review commenced in August 2019. Audit planning ongoing.
Workforce Management			
Payroll (CRSA)	To determine the effectiveness of the internal controls operating in with regards to the Payroll System. A Control Risk Self Assessment (CRSA) methodology has been used for this audit.	Not Applicable	A review commenced in August 2019. Audit planning ongoing.
Settlement Agreements (18/19)	To determine the effectiveness of the internal controls operating with regard to Settlement Agreements.	Limited Assurance (Provisional)	Draft report issued in March 2019, a meeting is to be arranged to agree an action plan.
Health & Safety (18/19)	To determine the effectiveness of the internal controls operating in respect of Health & Safety.	Not Applicable	Draft report issued in July 2019, a meeting is to be arranged to agree an action plan.
Regeneration & Community Services			
Property			
Corporate Landlord - Carbon Reduction Commitment	To determine the effectiveness of the Internal Controls with regards to the Carbon Reduction Commitment process administered by the Authority.	Not Applicable	A review commenced in July 2019, Audit report being reviewed.
Public Protection			
Cold Weather Grant	Internal Audit review to ensure compliance with the grant terms and conditions including signing the Grant Certificate for Welsh Government.	Full Assurance	Audit certificate and audit report issued in July 2019.
Rent Smart Wales	Internal Audit review to ensure compliance with the grant terms and conditions including signing the Grant Certificate for Welsh Government.	Limited Assurance	Final report and certificate issued in September 2019. 6 weaknesses were identified of which, 2 were classified as high risk and 4 were medium risk. The Manager has agreed appropriate actions to mitigate the weaknesses identified. The Internal Audit Summary report is attached at Appendix B2.
Housing Allocations	To determine the effectiveness of the internal controls operating with regard to Housing Allocations.	Reasonable Assurance	Final report issued in July 2019. 2 weaknesses were identified classified as high risk. The Manager has agreed an appropriate action to mitigate all the weaknesses identified.
Estates and Asset Management			
Disposal of Surplus Land	To determine the effectiveness of the internal controls with regard to the Disposal of Surplus Land.	Not Applicable	A review commenced in August 2019, Audit testing is ongoing.

Education			
Education Transformation			
Schools CRSA	Internal Audit review of the CRSA programme issued to all schools.	Reasonable Assurance	The CRSA report issued to Education in July 2019. The report is to be disseminated to all schools and for each Headteacher to provide assurance that their own internal controls are robust.
SIMS Functionality (School System)	To determine the effectiveness of the internal controls operating in respect of the SIMS Functionality process in schools, as identified as part of the Control Risk Self Assessment process.	Not Applicable	A review commenced in August 2019, Audit testing is ongoing.
Inventory (Schools System)	To determine the effectiveness of the internal controls operating in respect of the Inventory process in schools, as identified as part of the Control Risk Self Assessment process.	Reasonable Assurance	Final report issued to the Education Department in September 2019 outlining the results of the School System Audit. 3 weaknesses were identified classified as high risk. The weaknesses identified are to be disseminated to all schools to determine compliance with their own systems and processes.
Schools Purchasing (School System)	To determine the effectiveness of the internal controls operating in respect of the Purchasing process in schools, as identified as part of the Control Risk Self Assessment process.	Not Applicable	A review commenced in September 2019. Audit testing ongoing.
21st Century Schools	To determine the effectiveness of the internal controls operating in respect of the 21st Century Schools Programme.	Not Applicable	A review commenced in April 2019, Audit testing is ongoing.
Inclusion Services			
Elected Home Education	To determine the effectiveness of the internal controls operating with regard to Elected Home Education.	Reasonable Assurance	Final report issued in July 2019. 6 weaknesses were identified 2 were classified as high risk and 4 were medium risk. The Manager has agreed appropriate actions to mitigate the weaknesses identified.
Youth Services			
Theft of items from the Youth Club van	A special investigation review of security arrangements following a theft of items from the Youth Club van.	Not Applicable	A review commenced in July 2019 into the security arrangements following a theft of items from the Youth Club van. Final report issued in September 2019, 3 weaknesses were identified classified as high risk. The Manager has agreed an appropriate action to mitigate all the weaknesses identified.
Social Services			
Adult Services			
Development & Commissioning			
Supporting People Programme (Outcomes) Grant	Internal Audit review to ensure compliance with the grant terms and conditions including signing the grant certificate for Welsh Government.	Reasonable Assurance	Audit certificate and audit report issued in July 2019.
Supporting People Grant (RDC Post)	Internal Audit review to ensure compliance with the grant terms and conditions including signing the Grant Certificate for Welsh Government.	Full Assurance	Audit certificate and audit report issued in July 2019.
Supporting People Grant	Internal Audit review to ensure compliance with the grant terms and conditions including signing the Grant Certificate for Welsh Government.	Full Assurance	Audit certificate and audit report issued in August 2019.
Commissioning	To determine the effectiveness of the internal controls operating in respect of the Commissioning Process within Social Services.	Not Applicable	A review commenced in September 2019. Audit planning ongoing.
Safeguarding & 14+			
14+ Team (incl. Leaving Care)	To determine the effectiveness of the internal controls with regard to the 14+ and Leaving Care process.	Not Applicable	Draft report issued in September 2019, a meeting has been arranged to agree an action plan.
General			
General Audit Areas			
Departmental Flexi System Use	To determine the effectiveness of the internal controls with regard to the application of the Flexible Working Scheme policy.	Not Applicable	A review commenced in June 2019, Audit report being reviewed.
Contract Audit Estimate vs Final Payment (18/19)	To determine the effectiveness of the internal controls in respect of Contract Audit in particular variations to contracts and compliance with Contract Procedure Rules.	Reasonable Assurance	Final report issued in September 2019. 2 weaknesses were identified of which both were classified as high risk. The Manager has agreed appropriate actions to mitigate all the weaknesses identified.
Contract Audit - Disaggregation (18/19)	To determine the effectiveness of the internal controls operating in respect of Contract Procedure Rules.	Not Applicable	Draft report issued in July 2019, a meeting is to be arranged to agree an action plan.

This page is intentionally left blank

INTERNAL AUDIT SUMMARY REPORT

SYSTEMS AUDIT – CREDITORS RECONCILIATION

1. INTRODUCTION

- 1.1. This audit was carried out in line with the Internal Audit Plan 2018/19, and in full consultation with operational staff and management.
- 2.1. The scope of the audit was to determine the effectiveness of the internal control procedures within the Creditors Reconciliation process, with particular attention to compliance with departmental policies and procedures.
- 1.3. The audit was conducted by the Senior Auditor and took the form of a series of detailed tests and checks, together with discussions with the operational manager.

2. SUMMARY OF FINDINGS

- 2.1. One weakness was identified during the audit. This weakness was classified as High Risk and was in relation to:
 - The reconciliations were not fully completed and verified on a quarterly basis throughout the financial year. The first quarter’s reconciliation was commenced in a timely manner but was not fully completed until the completion of the second quarter’s reconciliation.

Agreed Action – Quarterly reconciliations and verifications will be completed.

3. CONCLUSION

- 3.1. The audit report is produced on an exception basis. Consequently the only points made are where weaknesses have been identified. The samples chosen would not be able to cover every transaction or eventuality; therefore reliance is placed in part on the information and explanations provided by the appropriate officers.
- 3.2. The Chief Officer Resources has agreed to implement an action for the weakness identified.

4. INTERNAL CONTROL STANDARD GRADING

- 4.1. In accordance with the standard Internal Audit gradings, the systems examined indicate that the internal controls within the Creditors Reconciliation process are working adequately, however a weakness has been identified that requires appropriate action. The grading is therefore assessed as **‘Limited Assurance’**.

This page is intentionally left blank

INTERNAL AUDIT SUMMARY REPORT**GRANT AUDIT – RENT SMART WALES (FOR THE 2018/19 FINANCIAL YEAR)****1. INTRODUCTION**

- 1.1. This audit was carried out in line with the Internal Audit Plan 2019/20, and in full consultation with operational staff and management.
- 1.2. The scope of the audit was to determine the effectiveness of the internal controls and compliance with terms and conditions in relation to the Rent Smart Wales Grant for the 2018/19 financial year.
- 1.3. The audit was conducted by the Principal Auditor and took the form of a series of detailed tests and checks, together with discussions with operational staff and managers.

2. SUMMARY OF FINDINGS

- 2.1. Three weaknesses were identified and each of these was classified as High Risk. The areas involving these risks were:
 - The official submission to WG provided an incorrect total expenditure amount and an incorrect description of the type of expenses claimed.
Agreed Action – The Private Rented Sector Officer will request that the Accountancy Section issue a copy of the General Ledger every quarter to ensure all expenditure is listed before the end of the financial year.
 - Inconsistency in allocating the relevant costs incurred correctly to the Rent Smart Wales Scheme cost centre, therefore failing to supply the Accountancy Section of all expenditure incurred.
Agreed Action – Only one officer to request expenditure and ensure the correct cost centre code is applied.
 - An incomplete record maintained by the Service of all costs incurred for the Rent Smart Wales Scheme.
Agreed Action – A robust recording system will be implemented within the Scheme.

3. CONCLUSION

- 3.1. The Audit Report is produced on an exception basis; consequently the only points made are where weaknesses have been identified. Reliance is placed, in part, on the information and explanations provided by appropriate officers.
- 3.2. The Team Manager - Housing Solutions and Compliance has agreed to mitigating actions for the three weaknesses identified.

4. INTERNAL CONTROL STANDARD GRADING

- 4.1. In accordance with the standard gradings set out in Appendix A, the systems examined indicate that three significant weaknesses have been identified that require appropriate action, therefore the grading is assessed as **‘Limited Assurance’**.

This page is intentionally left blank

INTERNAL AUDIT SECTION

APPENDIX C

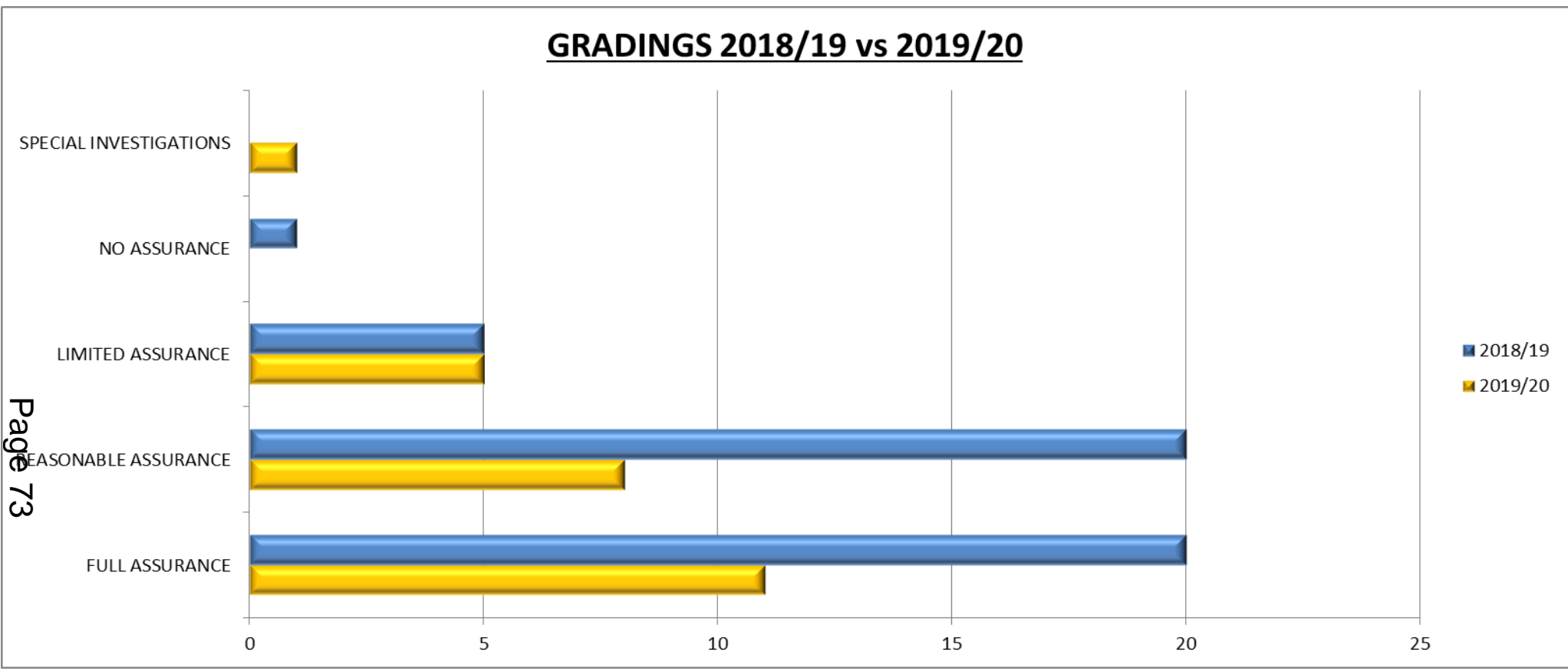
PERFORMANCE INDICATORS 2019/20 – TO 30th SEPTEMBER 2019

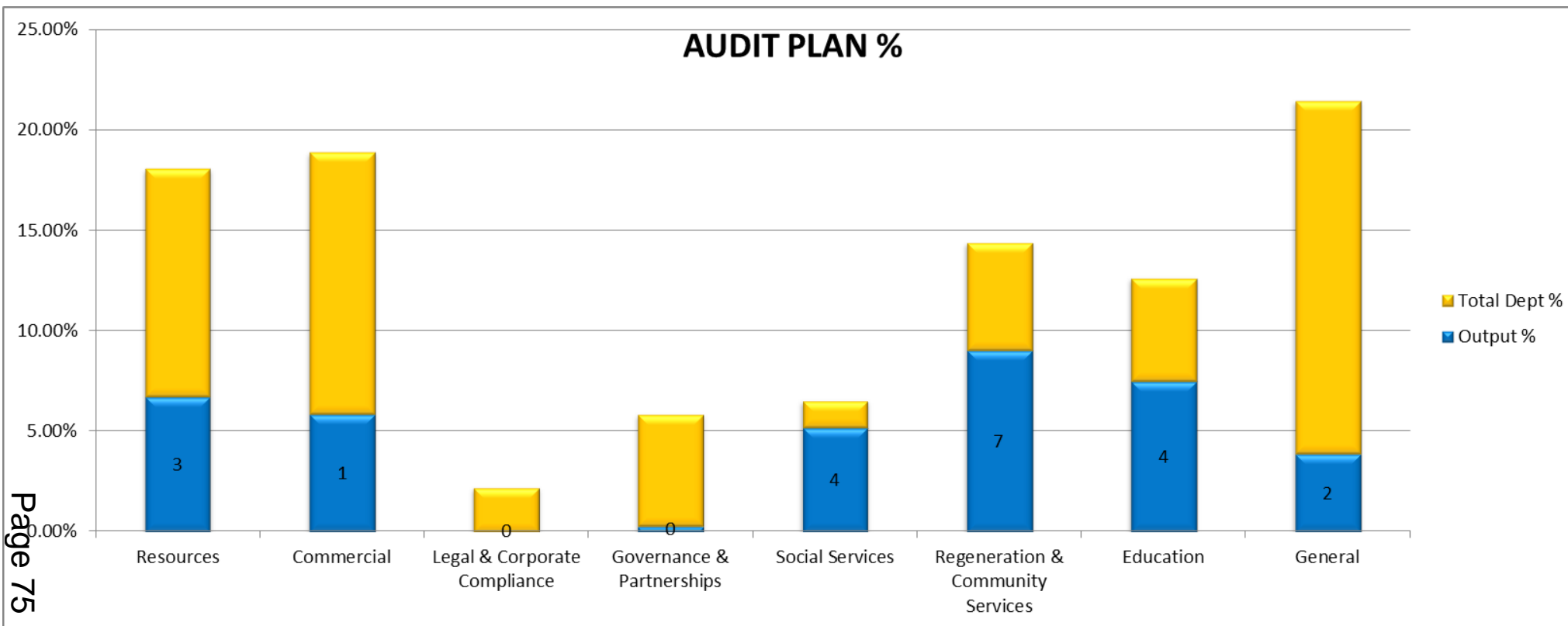
	Description	2018/19 Target	2018/19 Actual	Actual to 30/09/18	2019/20 Target	Actual to 30/09/19	RAG Status
Local PI	% of Audit Plan completed	80%	70.45%	38.02%	75% (37.5%)	38.39%	Green
Local PI	Number of Weaknesses accepted	90%	100% (196/196)	100% (144/144)	90%	100% (93/93)	Green
Local PI	Number of Weaknesses addressed after six months	80%	80% (12/15)	100% (09/09)	80%	100% (04/04)	Green
Local PI *	% of Customers at least “satisfied” with the service	95%	97.29% (36/37)	100%	95%	100% (23/23)	Green
Local PI	Average number of days taken to issue Final Reports	5 days	1.28 days	1.42 days	5 days	2.6 days	Green
Local PI	% of Audits completed within the time allocated	75%	90.56%	93.55%	75%	89.65%	Green
Local PI	% of Performance Reviews undertaken within the previous 12 months	100%	100%	100%	100%	100%	Green
Local PI	Average number of sick days per person (cumulative average)	6.00 days	15.83 days	0.17 days	6.00 days	0.67 days	Green

* Following consultation with audit clients.

This page is intentionally left blank

GRADINGS 2018/19 vs 2019/20





Department	Total Department %	Output %	Completed Audits
Resources	18.07%	6.69%	3
Commercial	18.89%	5.84%	1
Legal & Corporate Compliance	2.17%	0.07%	0
Governance & Partnerships	5.84%	0.27%	0
Social Services	6.52%	5.16%	4
Regeneration & Community Services	14.40%	9.04%	7
Education	12.64%	7.47%	4
General	21.47%	3.85%	2
Total	100.00%	38.39%	21

This page is intentionally left blank



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Delivering with Less – Leisure Services – Blaenau Gwent County Borough Council

Audit year: 2018-19

Date issued: May 2019

Document reference: 1114A2019-20

This document has been prepared for the internal use of Blaenau Gwent County Borough Council as part of work performed/to be performed in accordance with statutory functions.

No responsibility is taken by the Auditor General, the staff of the Wales Audit Office or, where applicable, the appointed auditor in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales, the Wales Audit Office and, where applicable, the appointed auditor are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at info.officer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

This document is also available in Welsh.

The team who delivered the work comprised Dave Wilson, Allison Rees, Lisa McCarthy, programme managed by Non Jenkins under the direction of Huw Rees.

Contents

The Council faces significant challenges to ensure that leisure services are delivered in a sustainable way to meet its residents needs.

Summary report

Summary	4
Proposals for Improvement	5
The Council faces significant challenges to ensure that leisure services are delivered in a sustainable way to meet its residents needs	6
The Council has made savings since outsourcing its leisure services in 2014, but this model has not delivered as originally intended and faces ongoing financial challenges	6
In 2018, the Council carried out a full review of its leisure services, but timescales were too compressed to fully develop the options and the review timescale had to be extended	9
The Council now has limited time to develop and deliver a sustainable model	14

Summary report

Summary

- 1 In October 2014, Blaenau Gwent County Borough Council (the Council) outsourced its leisure services to the Life Leisure Trust which operates under the trading name of Aneurin Leisure (the Trust). The Trust is responsible for the operation, management and development of indoor and outdoor sport and leisure facilities, sport and arts development, arts venue, country parks, libraries and community learning centres across Blaenau Gwent. In this report, we use the term leisure services to mean these services provided by the Trust.
- 2 In 2018, the Council undertook a review of the services provided on its behalf by the Trust and considered three future management and delivery options:
 - a. Trust to remain with a 5-year tapering budget;
 - b. all services returned to the Council;
 - c. an alternative Service Delivery Model.
- 3 Between June and December 2018, we 'shadowed' the Council's leisure review by observing meetings, reviewing documents and interviewing key officers and members.
- 4 Our review concluded that **the Council faces significant challenges to ensure that leisure services are delivered in a sustainable way to meet its residents needs**
- 5 We came to this conclusion because:
 - a. the Council has made savings since outsourcing its leisure services in 2014, but this model has not delivered as originally intended and faces ongoing financial challenges;
 - b. in 2018, the Council carried out a full review of its leisure services, but timescales were too compressed to fully develop the options and the review timescale had to be extended; and
 - c. the Council now has limited time to develop and deliver a sustainable model.

Proposals for improvement

- 6 The table below contains our proposals for ways in which the Council could improve the economy, efficiency, effectiveness and the sustainability of its leisure services to make it better placed to meet current and future challenges.

Exhibit 1: proposals for improvement

Proposals for improvement	
Learning from the existing leisure services arrangement:	
P1	Ensure that learning from the current Trust arrangement is considered when establishing the new leisure services arrangement; including <ul style="list-style-type: none">ensuring that the Council's responsibilities stated within legal agreements for any outsourced services are clearly understood by officers and Members;clarifying and agreeing service development expectations as well as financial targets from the outset;ensuring financial targets are realistic and achievable; andmonitoring performance in a timely way so that the Council can foresee any potential poor performance or concerns over future financial sustainability of the arrangement in good time to take corrective action.
Learning that the Council can draw from the leisure service review process to inform its other service reviews:	
P2	Ensure that the Council's programme of service reviews work to realistic project scopes; including by ensuring that: <ul style="list-style-type: none">timescales are realistic and achievable;there is adequate and timely member involvement to allow for effective scrutiny;adequate resources are allocated to complete service reviews;options are well defined; andproposed options are fully costed with proposed timescales for implementation to support effective decision making.
Preparing for an alternative delivery model(s):	
P3	Put plans in place to ensure continuity of leisure services and smooth transition to sustainable and efficient alternative delivery model(s).

The Council faces significant challenges to ensure that leisure services are delivered in a sustainable way to meet its residents needs

The Council has made savings since outsourcing its leisure services in 2014, but this model has not delivered as originally intended and faces ongoing financial challenges

One of the the Council's key motivations to establish the Trust was to deliver financial benefits

- 7 In 2012, the Council started to consider alternative models for delivery of its Leisure Services. The Council's motivation for setting up a Trust was the need to make financial savings. During the three years prior to the transfer of leisure services in 2014, the service saved approximately £800,000 but could see no further significant opportunities to achieve financial savings in its leisure service other than through exploring externalisation of the service.
- 8 Between 2012 and 2014, the Council, with the support of an external consultant, reviewed leisure services within Blaenau Gwent. The review considered future delivery and management options and produced a business case evaluating the following five options:
 - a. Council retain Leisure Services;
 - b. establish a Not for Profit Distributing Organisation (NPDO) for leisure services;
 - c. leisure services transfer to an existing NPDO;
 - d. leisure services transfer to a hybrid of Trusts; or
 - e. leisure services transfer to the private sector.
- 9 The Council decided to establish a Not for Profit Distributing Organisation (NPDO) for leisure services. It anticipated that this would deliver financial savings through cost avoidance and potential additional income through savings on National Non-Domestic Rates (NNDR), VAT relief, access to lottery funding and charitable funding.

The Council established the Leisure Trust and soon made changes to the arrangements resulting in additional costs to the Council

- 10 On 30 September 2014, the Council approved the transfer of some leisure services to a Not for Profit Distributing Organisation (NPDO). The NPDO, known as Aneurin Leisure Trust began operating on 1 October 2014. The following leisure services and assets transferred to the Leisure Trust:

- a. Adult and Community Learning;
- b. Arts Development and Venues (Metropole/Beaufort Ballroom);
- c. Brynmawr Community Centre;
- d. Heritage Sites and Heritage Urban Conservation;
- e. Libraries;
- f. Sport and Active Living;
- g. Parc Bryn Bach;
- h. Bedwellty House and Park; and
- i. Sports Centres.

11 The arrangement between the Council and the Trust was supported by four legal agreements as follows:

- a. Funding and Management Agreement;
- b. Business Transfer Agreement;
- c. Support Services Agreement: and
- d. Admission Agreement to participate in the Local Government Pension Scheme.

As planned, the Council has reduced the management fee it paid to the Trust to run its leisure service over the last four years. **Exhibit 2** sets out the management fee and the annual reductions since the Trust's inception in 2014.

Exhibit 2 shows the management fee paid to the Trust since 2014

	Year 1 2014/15 (October 2014 and March 2015) £	Year 2 2015/16 £	Year 3 2016/17 £	Year 4 2017/18 £	Year 5 2018/19 £
Annual Management Fee Budget	1,884,000	3,670,400	3,392,640	3,240,570	3,085,580
Annual management fee reduction		86,000	232,000	86,000	86,000

- 12 Since 2015, 11 leisure assets/services originally transferred to the Trust have returned to the Council: Four assets returned to the Council in 2015, five returned in 2016, one in 2017 and one in 2018. The Council has subsequently completed Community Asset Transfers for some of these assets.
- 13 The Council is responsible for the increase in Leisure Trust employee pension contributions and Leisure Trust staff redundancy costs, in total amounting to £904,483. These financial commitments and the unexpected return of 11 leisure services/assets to the Council costing £149,555, have resulted in additional costs to the Council of £1,054,038 since the transfer of leisure services.

- 14 During the first four years of the Leisure Trust, the Council asked the Trust to achieve additional financial savings.. The savings totalled £353,000 in addition to the annual reduction in management fee. In practice, the Leisure Trust has only been able to deliver part of these extra financial savings and this has created further cost pressures for the Council.
- 15 The Council estimated that by establishing a Trust it would save £5.27 million over the first five years of its operation. Whilst the Council has reported the overall savings position several times to various council forums throughout its recent service review, we found inconsistent variations in these reported savings. For example, a net saving of £677,962 was reported to Regeneration and Community Services Leadership team on 5 June 2018 (as stated within the 'Position Statement Leisure Trust 2018' report). The saving of £677,962 did not account for outstanding costs at that time of approximately £140,000 relating to the transfer back to the Council of Beaufort Theatre, non-payment of an outstanding invoice from the Trust, and the Trust being unable to meet the 2018-19 additional saving relating to staff reduction savings.
- 16 A month later in July 2018, the same Leadership team received another Leisure Trust position statement with different financial data. This report indicated a total cumulative saving of £6,028,000 between 2014-15 to 2018-19 with a total cost to the Council of £1,054,038 since the transfer of services to the Trust.
- 17 The Council has since clarified that the actual savings/cost avoidance since the establishment of the Trust is £4,211,962. This shows that the financial data provided during the review has been inaccurate.

The Council lacked a vision setting out the strategic direction for Leisure, and performance monitoring has not been fully effective.

- 18 The Council did not have a vision or strategy for the improvement of leisure services within Blaenau Gwent between 2014 and 2018. The Council's previous Leisure Strategy expired in 2014. In the absence of a vision for leisure services in Blaenau Gwent, the Trust had not produced a business plan setting out how it would deliver leisure services going forward, although this is a requirement of the funding and management agreement. As part of the Council's leisure services review, in November 2018, Council approved a draft Leisure and Cultural Strategy 2019-2029.
- 19 During our review we found that the Council had monitored performance of the Trust but this had not been effective. Council officers met Leisure Trust managers monthly, and the Leisure Trust provided regular performance reports to the Council. The Environment, Regeneration and Economic Development scrutiny committee received six monthly performance reports, however in practice these reports were not timely. For example, in October 2018, members received the September 2017 to March 2018 Leisure Trust performance report.
- 20 The performance information supplied by the Trust shows operational performance, such as number of visits to different leisure venues and activities and income and expenditure. This information had not been adequate to alert the

Council to potential concerns over the Trust's ongoing financial position. Between 2014 and March 2017, the Council's overall assessment of the Trust's level of performance was that it was good or high, with some areas requiring improvement. However, the September 2017- March 2018 performance report to Environment, Regeneration and Economic Development scrutiny committee in October 2018 highlighted a mixed picture of performance and some areas of concern especially related to the budget and financial situation.

An ongoing arrangement with the current provider is important for the continued delivery of leisure services until the Council decides on its new delivery model and this is in place

- 21 Maintaining the current relationship with the Trust is critical to ensure the continuation of leisure services. In addition, as per the Funding and Management agreement, if the Council actions its 29th November 2018 resolution that the Leisure Trust would not remain as is with a tapered budget reduction over the next five years 2019-24, it must agree an exit plan with the Leisure Trust 'covering the performance of the obligations of both parties during the exit and handover period'.¹
- 22 In Autumn 2018, following a pay award to staff working for the Leisure Trust, the Council agreed a payment of £50,000 to help finance this pay award.
- 23 Following the fieldwork for this review, the Trust wrote to the Council highlighting concerns with its current financial position and its impact on the sustainability of the business. The Council responded positively to these financial concerns and is working with the Trust to identify solutions. In December 2018, the Managing Director, in consultation with the Leader and Executive Member, under delegated authority, approved a payment of £100,000 to the Leisure Trust to partly offset the Leisure Trust's projected trading loss of £135,000. The decision was later ratified by Council. The Council agreed conditions with the Trust around this payment and is seeking to develop an improved working relationship with the Trust going forward.

In 2018, the Council carried out a full review of leisure services but timescales were too compressed to fully develop the options and the review timescale had to be extended

The Council decided to review leisure services and its arrangement with the Trust but initially misunderstood the timescales as stipulated in the Funding and Management agreement

- 24 The Funding and Management agreement requires a review of arrangements between the Council and Leisure Trust after four years. On 18 April 2018, however,

¹ Funding and Management agreement relating to the provision of Leisure, Culture and learning services paragraph 46.1.1

the Council's Executive decided to carry out a wider service review considering the future management and delivery of leisure services, rather than limiting itself to a review of the current arrangements with the Leisure Trust.

25 The Council misinterpreted the timescales set out in the Funding and Management agreement for a review of the current arrangements. The contract states July 2018, but initially the Council believed October 2018 would be the date to start a review. As a result, the Council commissioned external legal advice to review the Funding and Management agreement and to clarify its responsibilities. This misunderstanding of the legal requirements resulted in a compressed period in which the Council could complete and report the review findings. As reported to the Environment and Regeneration Leadership team and Corporate Leadership team in February 2018, the proposed timeline to complete the review was as follows:

- 12 March 2018 - Special Scrutiny Committee
- 18 April 2018 - Executive decision on undertaking a full Leisure services review
- 23 April – 15 June 2018 - Commission external professional support
- 18 June – 17 August 2018 - Explore options
- September 2018 - Present report on findings and recommendations to Scrutiny and Executive
- September 2018 - Advise Leisure Trust on Council proposals

The Council established a working group and commissioned external consultants to support its review

26 The Council had already committed resource in early 2018 to carry out the wider review of leisure services, prior to the Executive's decision to proceed with the review. It established a Leisure Review Working Group (LRWG) of senior managers, that included the S151 officer, Head of Legal and Corporate Compliance, lead Corporate Director, Head of Public Services and Head of Organisational Development, Leisure Services and Facilities Team Manager, Strategic Project Team Leader and a Trade Union representative. The purpose of this group was to:

- a. review the funding and management agreement (first five years business review) and for the next five years 2019-2024;
- b. identify any options that require review for the Trust and Leisure Services;
- c. negotiate amendments to contract conditions, if necessary;
- d. consider services at risk due to budget reduction over the coming years;
- e. set a clear vision for Leisure Services; and
- f. establish whether external support is required to undertake and support this work stream.

27 The options that the LRWG was asked to consider were:

- a. Leisure Trust to remain with tapered budget reduction 2019-2024;

- b. undertake de-scoping exercise on all Leisure Trust managed services;'
 - c. all services returned to Council;
 - d. investigate alternative providers for leisure services'; and
 - e. alternative service delivery models.
- 28 The Council recognised some gaps in skills and capacity and commissioned external consultants to support and advise its leisure services review.
- 29 The LRWG worked effectively. Given the tight timescales it now found itself in, it put significant effort into prioritising working group activity and meetings. Agenda's, relevant documents and minutes supported each working group meeting with meetings having good attendance. The LRWG had a clear focus on meeting tight deadlines and reported to senior managers routinely.
- 30 There was a change in Lead Officer of the LRWG during the Leisure Services review. Whilst there was an impact on the capacity of the LRWG in terms of officer numbers, there was a smooth transition between Lead Officers ensuring the continued and uninterrupted focus of the LRWG.
- 31 The consultants produced the draft evaluation matrix that the Council would later use to evaluate different delivery models. The LRWG challenged the draft evaluation matrix with the consultants providing several versions before the LRWG approved the final version.
- 32 The consultants also developed, consulted on and drafted the Council's Leisure and Cultural Strategy at the same time as the drafting of the evaluation matrix.

Original timescales to complete the review slipped creating pressure on officers, resulting in some changes to the review scope and reporting arrangements

- 33 At a joint Executive/Corporate Leadership Team meeting in July 2018, the Council consolidated the original five options into three options as follows:
- Leisure Trust to remain with a tapered budget reduction over next five years 2019-2024;
 - all leisure services to return to Council control; and
 - alternative service delivery models.
- 34 The original timescales (as shown in exhibit 3) slipped and original plans to report to members changed. This indicates that either the original timescales were over ambitious, or delivery of the review took longer than anticipated.. The LRWG worked at a pace to ensure the delays in reporting to members were minimised. In addition to fulfilling the timescales as set out in the Funding and Management agreement, officers were also aware that decisions on the future management and delivery of the Leisure Service could impact on 2019-20 and 2020-21 budgets. However, there was a compressed decision-making timescale which gave officers of the LRWG limited opportunity to respond to and action members comments from the Phase One report to the Phase Two report.
- 35 Reporting timelines to members were later than originally planned and were in two phases as follows:

- a. Phase One report – joint scrutiny – 18 October 2018
 - b. Phase One report – Executive – 31 October 2018
 - c. Phase One report – Council – 8 November 2018
- 36 Phase One report contained options on:
- a. the three management options;
 - b. Draft Leisure and Cultural Strategy 2019-2029; and
 - c. Draft evaluation matrix for the assessment of future management options.
- 37 The Phase two report included an assessment of each of the three management options using the agreed evaluation matrix of a 60:40 split between financial and non-financial criteria. The timing of the Phase Two report was as follows:
- a. Phase Two report – scrutiny – 20 November 2018
 - b. Phase Two report – Executive – 28 November 2018
 - c. Phase Two report – Council – 29 November 2018
- 38 Full Council ratified the officers' preferred management option of 'Alternative service delivery models' as the future delivery and management option for leisure services.
- 39 Accompanying the officer's report, was the external consultants review of the three management options. While the officer report contained limited information on both the financial implications and timescales to implement Council decision, the consultant's report provided additional detail.

There was limited information explaining short and long-term budget implications and timescales supporting the implementation of the three management options

- 40 The officer report setting out the results of the leisure services review, lacked details of short and long-term budget implications and timescales supporting the implementation of the three management options. The officer report to full council on 29 November 2018 stated:
- a. 'Option One – If the Council were to remain with the Leisure Trust with a tapered budget reduction over the next five years (2019-2024), it would need to agree a revised service fee via the provisions outlined within Funding and Management Agreement. The current management fee paid by the Council to the Trust is circa. £3.3 million per annum.
 - b. Option Two - Returning leisure services back to Council control would return the national non-domestic rates (NNDR) costs for the buildings at an estimated cost of £600,000 per annum and would be a significant cost pressure for the Council.
 - c. Option Three - Alternative service delivery models can potentially generate revenue savings and cost avoidance when compared to both the Council and current NPDO options. However, the operator will not receive any Mandatory Relief from NNDR as they are not a Charitable Trust. However, at the Council's discretion they may provide relief, and

this can be funded the same as the Trust option. If the alternative service delivery model chosen is to fully outsource the services provided by the Trust to a commercial operator, the likely timescales could be in the region of 12-18 month'.

- 41 The Council chose option (c), although this decision was based on limited financial data because it was unclear what the potential model(s) would be. It is unclear therefore how the Council applied its 60:40 split between financial and non-financial criteria agreed in the evaluation matrix.
- 42 In June 2018, the Council informed the Leisure Trust of the future annual tapered management fee from 2019-20 to 2023-24. Members did not receive this financial information in the Phase One or Phase Two leisure reports.
- 43 The consultants review of the management options given to full Council as an appendix to the Phase Two leisure review report on 29 November 2018, gave members an overview of the different procurement approaches such as, in-house, contract for services, concession contract, community asset transfer, property transaction and collaboration and partnership. The consultants recommended a procurement approach for each service. Members received the completed evaluation matrix including the weighting of each of the 11 criteria (split between financial and non-financial) and scoring (0-5) for each criteria.
- 44 The consultants also provided members with the outcome of their performance review of the Leisure Trust.

The review of Leisure Services lacked timely and meaningful scrutiny member involvement which limited effective scrutiny

- 45 Members expressed concerns, when discussing the Phase One Leisure report at the joint scrutiny committee on 18 October, about a lack of member involvement and limited engagement to date. Members noted that a Task and Finish group formed part of the leisure review during 2012-14, but not for this review in 2018.
- 46 Officers advised that it was too late in the review process for a Task and Finish group to be set up as it would delay decision-making by full Council. Instead, the scrutiny committee established a Strategic Working Group with five members.
- 47 Some members at the joint scrutiny meeting on 18 October 2018 were uncertain why the management options were reducing from five to three. Some members expressed concerns that two management options were no longer under consideration. This committee did not support the officers' preferred option and recommended that five management options remain.
- 48 The Council set up a member working group after the Phase One report was considered by Scrutiny Committee in October 2018. Although this did provide more opportunity for Members to engage in the process, it is unclear what impact the working group had on the review as its work was not referenced in the report to the Executive on 28 November.
- 49 On 31 October the Executive considered the scrutiny committee's recommendation but did not support this and approved three management options.

The Council is identifying some lessons for future reviews

- 50 During our fieldwork, officers and members reflected on this leisure review and identified lessons learnt. Primarily, those we interviewed as part of the review highlighted:
- a. The review needed more time to complete;
 - b. the same officers involved in several Council service reviews at the same time, so greater staff resources need to be allocated to undertake reviews; and
 - c. the need for robust contracts at the outset of outsourcing any Council service.
- 51 As part of this review, we also identified how the Council can learn from its own service review:
- a. member involvement is needed earlier in the review to provide members with background information, for example, through member briefings and Task and Finish groups, so members understand the process and focus on the information being presented.
 - b. ensure a full understanding of contract requirements and timescales to avoid misunderstanding legal requirements.
 - c. ensure greater clarity on implications and implementation of Council decision, eg timescales to implement decisions, what needs to happen, any costs associated with implementing decision and future budget implications.

The Council now has limited time to develop and deliver a sustainable model

- 52 The Council took approximately two years, between 2012 and 2014, to review and decide on the current delivery model for leisure services. In November 2018, the Council set itself 16 months to establish alternative delivery model(s).
- 53 The Council will need to have in place arrangements for the ongoing delivery of its leisure services. The Phase Two Leisure review report to Council on 29 November 2018 stated that the likely timescale to secure an outsourced operator as an alternative service delivery model, would be 12-18 months at a cost of approximately £100,000 dependent on how much the Council would be able to do in house in terms of procurement.
- 54 The current outsourced Leisure service areas are:
- a. Adult and Community Learning (ACL) and Libraries;
 - b. Leisure/Sports Centres;
 - c. Bedwellty House and Park;
 - d. Bryn Bach Park; and
 - e. Arts Development and the Metropole.

- 55 To action the Council's decision to seek alternative delivery model(s), these services may need separating. This could increase both the time and resource to fully action Council's decision.
- 56 At the time of our review, the Council did not have a clear project plan setting out how it will seek and deliver an alternative delivery model(s). A project plan will require updating regularly, outlining key activities, responsibilities and milestones to ensure the Council remains focussed and on time. The Council has already committed to extending the remit of LRWG to take forward the Council's decision to seek alternative delivery model(s). This working group has a significant volume of work to co-ordinate, complete and report on to ensure there is no disruption in the future delivery of leisure services.
- 57 On 29 November 2018 the Council agreed the way forward for leisure services, but the report to members did not convey the potential complexity of delivering this agreed option, which may involve some or all of the following steps:
- a. decide if services currently provided by the Trust need separating in readiness for any potential tender/procurement process;
 - b. determine how the leisure services could be procured, such as via one procurement separated into Lots per service or via individual procurement exercises;
 - c. decide on the length of contract for each service;
 - d. establish the value for the entire service and/or the annual contract value per separate leisure service;
 - e. comply with Official Journal of the European Union (OJEU) procurement regulations if the value of the procurement exceeds the relevant threshold(s): (£181,302 for Supplies and Services, £4,551,313 for Works, £615,278 for Social and other specific services);
 - f. test the market to assess interest or undertake desk-based market research;
 - g. prepare tender documentation, including detailed specification/scope of services, per leisure service;
 - h. undertake procurement process(es) as required per leisure service, abiding to the obligatory OJEU timescales (as necessary based on value of procurement). The OJEU timescales are dependent on choice of procedure;
 - i. Open procedure: minimum 35 days (if no prior information notice (PIN) published, if PIN published timescale reduces to 15 days);
 - ii. Restricted procedure: 2 stages, both minimum 30 days (second stage can be reduced by adhering to specific processes);
 - iii. Negotiated procedure: as per Restricted procedure.

- i. as well as adhering to the timescales the Council would also have to include further time in the procurement process(es) for:
 - i. evaluation of responses;
 - ii. seeking internal approval at varying stages (as appropriate);
 - iii. notifying tenderers; and
 - iv. undertaking contractual negotiations with the successful provider(s).
- j. comply with TUPE requirements where appropriate;
- k. develop contracts with potential provider(s), having clear contract outcomes;
- l. establish future contract management arrangements with any new service provider(s);
- m. clarify from the outset the Council's vision and expectations for each service; and
- n. establish the total contract value for the entire service and/or the total contract value per separate leisure service if being procured individually. Total contract value meaning cost per annum for the length of the agreement.

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone.: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn testun: 029 2032 0660

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru



Blaenau Gwent County Borough Council

Service User Perspective: Community Engagement

Page 105

May 2019

Background

We asked Council officers and Members how the Council needs to change to better engage with communities

In our Aligning Levers of Change work we concluded that:

The Council is committed and enthusiastic about engaging with the community and recognises the scale of the challenge

We were told by officers and Members that the Council needed to:

- Improve forward planning of community engagement activity
- Decide when to engage and when not to – and at what levels
- Coordinate community engagement data better – internally and with partners
- Develop whole council briefings – explaining what, why, when etc
- Seek feedback from staff and explain how this has been used
- Use technology better to engage with the community and staff
- Develop ways to engage with harder to reach groups and disparate staff

The Council is acting to implement changes in these areas

We asked the community how the Council needed to change to engage better with communities

Our Service User Perspective review sought to answer the following:

- **Do the needs, experiences and aspirations of local people inform the design and delivery of the Council's community engagement exercises when making service changes to more closely meet their needs?**
 - Are community engagement arrangements designed with the needs, views and aspirations of service users in mind?
 - Are local people satisfied with the quality of the Council's approach to community engagement when making service changes?
 - Are local people able to engage easily with the Council?
 - Does the Council have effective two-way communication with service users?

What we did

- We met groups and individuals to discuss their experiences of engaging with the Council.
 - Faith Group and Community Connectors
 - School Super Ambassadors
 - Citizens Panel / 50 plus forum
 - Vision House Day Centre representatives;
- We surveyed 847 service users;
- We interviewed Council Officers to ask how well they engaged with local people on Active Travel and Home to School transport recently; and
- We interviewed the Leader of the Council to understand his perspective on community engagement.

Summary of findings

We concluded that:

Local people recognise the Council's commitment to community engagement although they are not always able to take part in a way that is effective and impactful

In particular we concluded that:

1. Local people can engage with the Council in many ways but these approaches are not always developed or made available with service users needs in mind?
2. Most people said they were satisfied with the quality of the Councils' approach to community engagement when making service changes although many said they were unable to seek clarity about the question if they needed to.
3. There are some barriers to engagement that potentially limit local participation.
4. Communication with service users tends to be time limited and subject specific.

What we think the Council should do to improve community engagement

- Ensure that community engagement is targeted to capture the views of as many people affected by the service change as possible
- Promote and utilise the support of the Corporate Engagement Team to maximise potential benefits from the engagement
- Evaluate each engagement approach to establish when it is most appropriate to use
- Develop a coordinated approach to community engagement that eliminates the current silo approach practiced in parts of the Council
- Reinforce the importance of genuine community engagement amongst staff at all levels within the Council
- Develop new, innovative and efficient ways of engaging local people by asking them for their ideas and involving them in developing new approaches

And some more ways we think the Council could improve community engagement

- Develop a 'live' approach to community engagement with ongoing dialogue, feedback and communication across the Council – where community engagement is not managed as an isolated event
- Identify local people who because of their roles currently have access to large numbers of people on a daily basis who could potentially work with the Council to help it engage more effectively such as, but not restricted to faith groups
- Share learning from community engagement activity to promote good practice and prevent repeats of poor practice
- Review how the Council can most effectively engage people with protected characteristics to ensure appropriate inclusion in the process and value for money from their involvement
- Improve the timing and transparency of community engagement and the decision making process

Detailed findings

1. Local people can engage with the Council in many ways but these approaches are not always developed or made available with service users needs in mind

What we were told by local people:

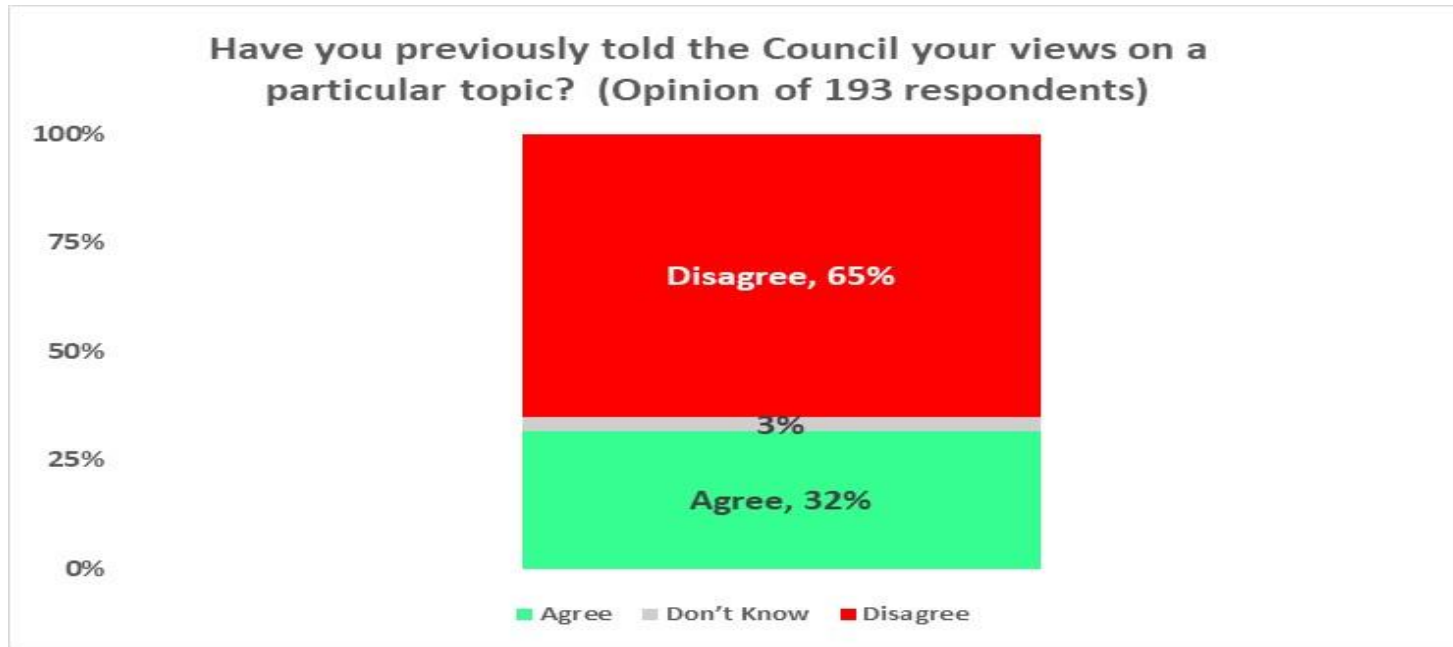
- They can give their views using a range of methods such as online surveys, face to face interaction, roadshow events and drop in events.
- They can access a closed Facebook page but some said this does not allow people to share views amongst themselves.
- The initial Active Travel consultation was described as tokenistic to comply with grant requirements. The subsequent consultation was more thorough – supported by the Corporate Engagement Team.
- One Home to School Transport event was inhibited by road closures.
- Home to School transport review engaged young people but we were told there is scope to build on young people's technology skills to engage more effectively.
- Faith groups engage with the Council but not in a well structured way.
- Councillors sometimes get actively involved and have been effective.

1. Local people can engage with the Council in many ways but these approaches are not always developed or made available with service users needs in mind

Additional reflections from officers:

- Home to School transport consultation exercise was very demanding for staff – lots of opposition and confrontation
- The Council has lessons learned logs, ie post project learning – but these are not well communicated - there is a lack of corporate memory.
- The Council recognises it needs to do better and is developing an Engagement Strategy, focusing on engagement to shape the development of services.
- Lack of awareness throughout the Council of its Engagement Team and what they can offer.

1. Of the 847 people we surveyed, 65% of people (two thirds) said they had not previously given their views to the Council on a particular topic



Some comments from our survey:

“No information is given to people unless you travel to Ebbw Vale or Abertillery”.

“Very difficult to give views when you don't know how to access information of pending agendas / debates”.

“I'm new to the area so unsure exactly what the council does”.

2. Most people said they were satisfied with the quality of the Councils' approach to community engagement when making service changes although many said they were unable to seek clarity about the question if they needed to

What we were told by local people:

- Some positive feedback on the Council engaging well, such as side waste, Youth Service.
- 50 plus forum and young people said they felt well engaged.
- Groups of vulnerable people were very positive about their engagement with the Council – has this been evaluated?
- Faith groups spoke of opportunities to use their contact with local residents as a vehicle or engagement.

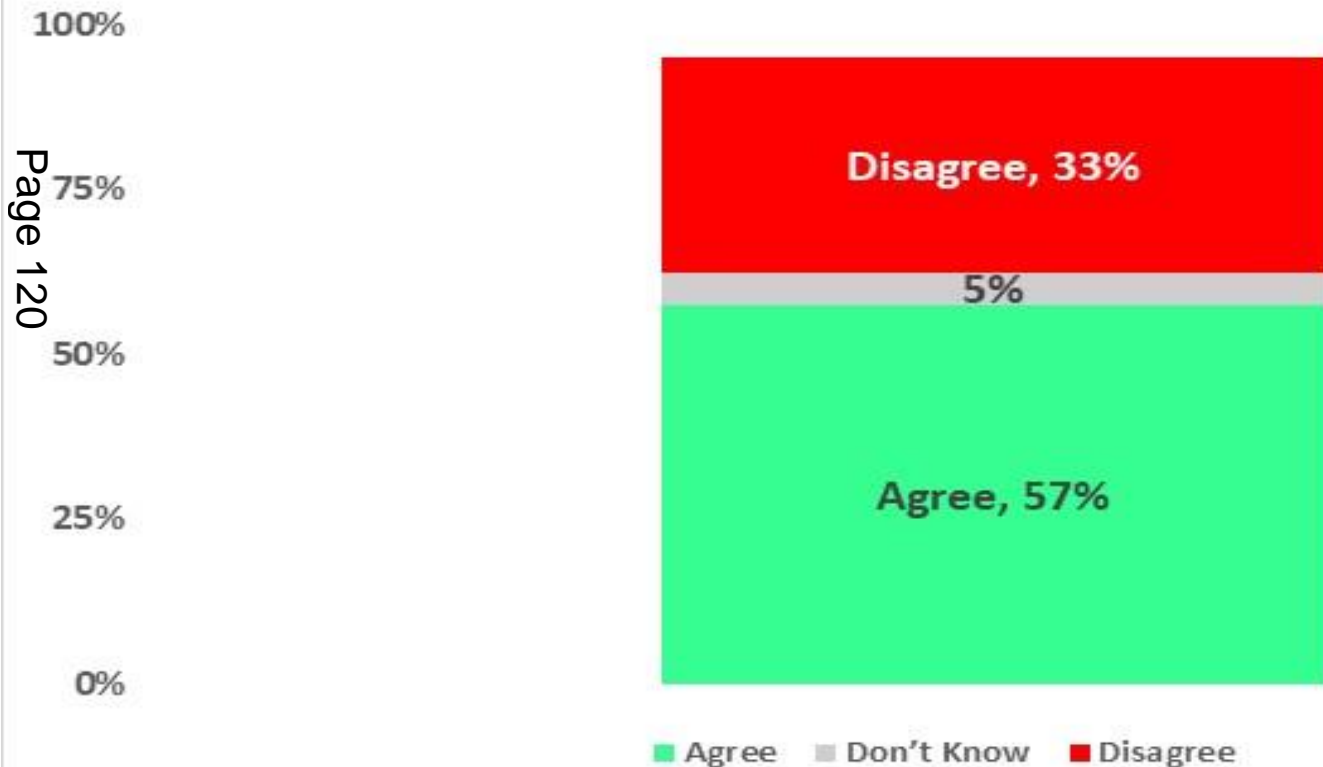
2. Most people said they were satisfied with the quality of the Councils' approach to community engagement when making service changes although many said they were unable to seek clarity about the question if they needed to

What does the survey show?

- Just over half of people said they had sufficient information on the topic they were being asked about
- Nearly everybody understood why the council was seeking their views
- Nearly everybody understood the topic and why the council was asking for their views on it
- A third of people said they were not able to seek clarity about questions if they needed to

2. Just over half of people said they had sufficient information on the topic they were being asked about

I had sufficient information on the topic? Those people who answered 'yes' in question 1 (Opinion of 61 respondents)



2. Nearly everybody understood why the council was seeking their views

I understood why the council was seeking my views? Those people who answered 'yes' in question 1 (Opinion of 61 respondents)

100%

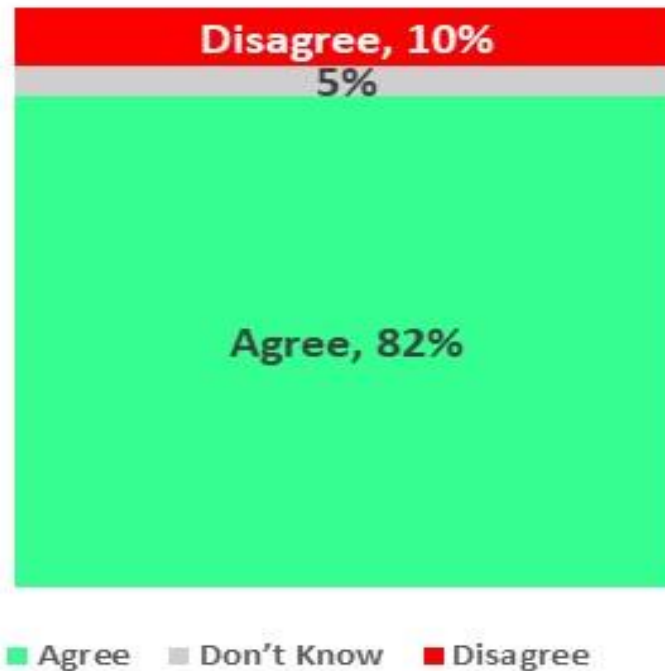
Page 121

75%

50%

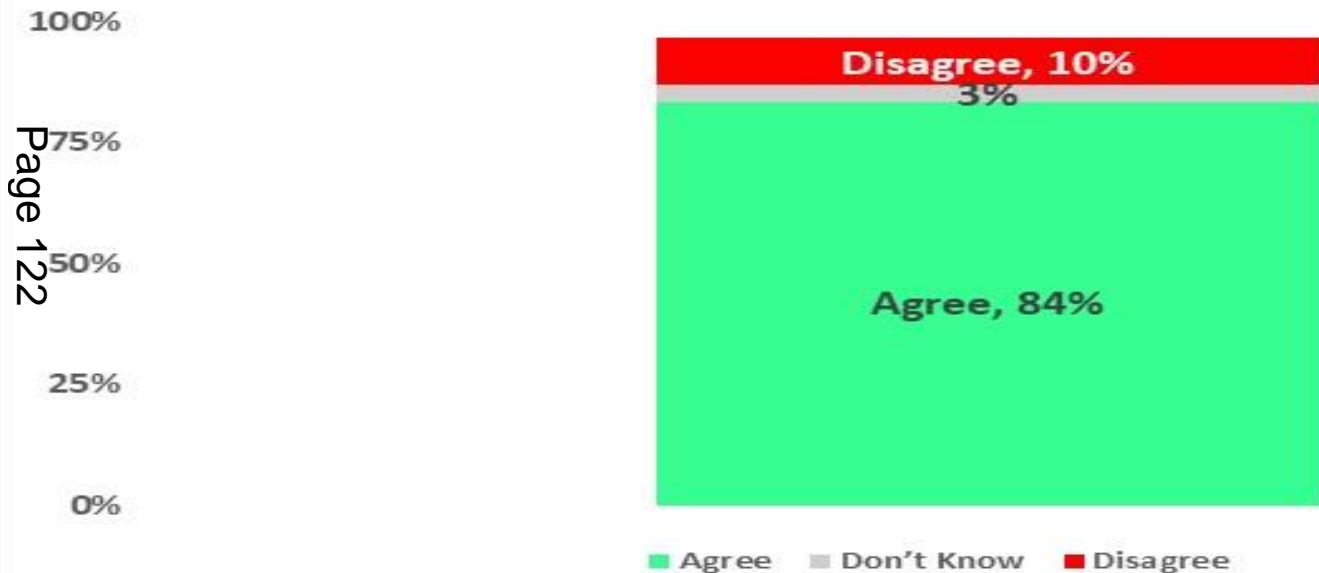
25%

0%



2. Nearly everybody understood the topic and why the council was asking for their views on it

I had a clear understanding of the topic and why the council were asking my views? Those people who answered 'yes' in question 1 (Opinion of 61 respondents)

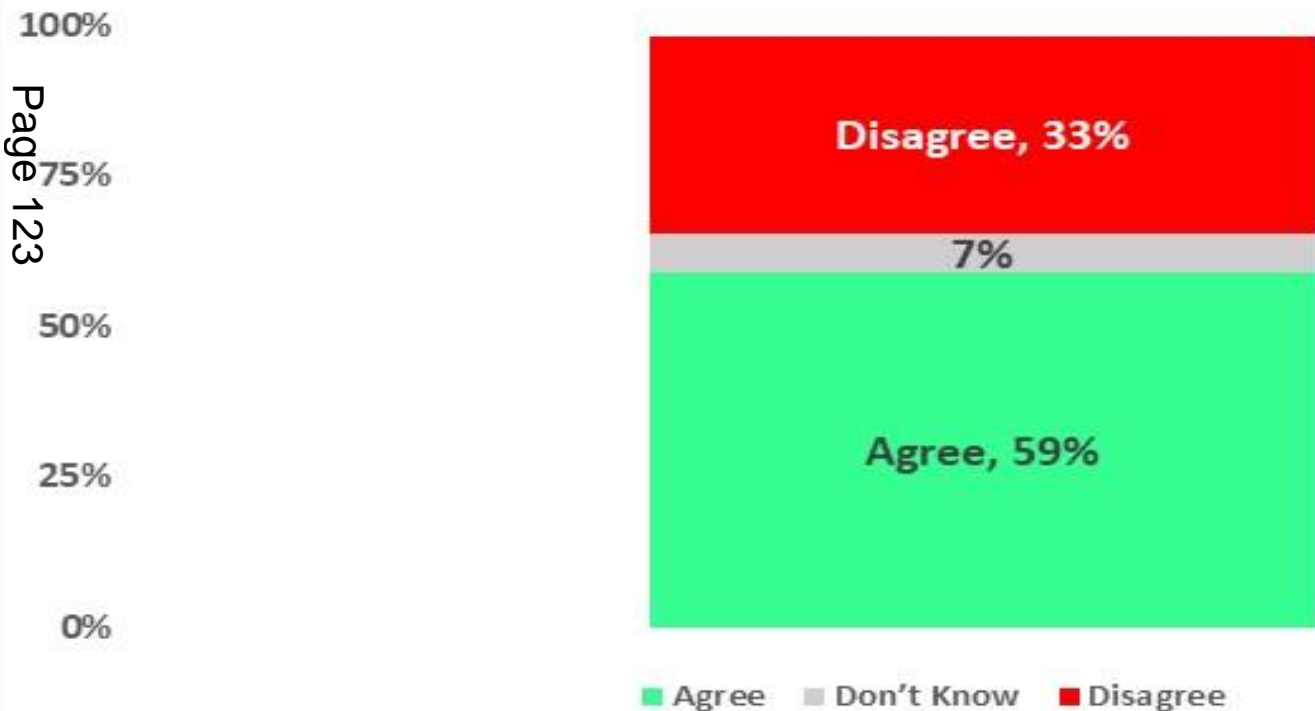


Some comments from our survey:

“They only consult on issues they want our opinion on, there is never an opportunity to air your views on the things that matter to us”.

2. A third of people said they were not able to seek clarity about questions if they needed to

I was able to seek clarity about the questions if I needed to?
Those people who answered 'yes' in question 1 (Opinion of 61 respondents)



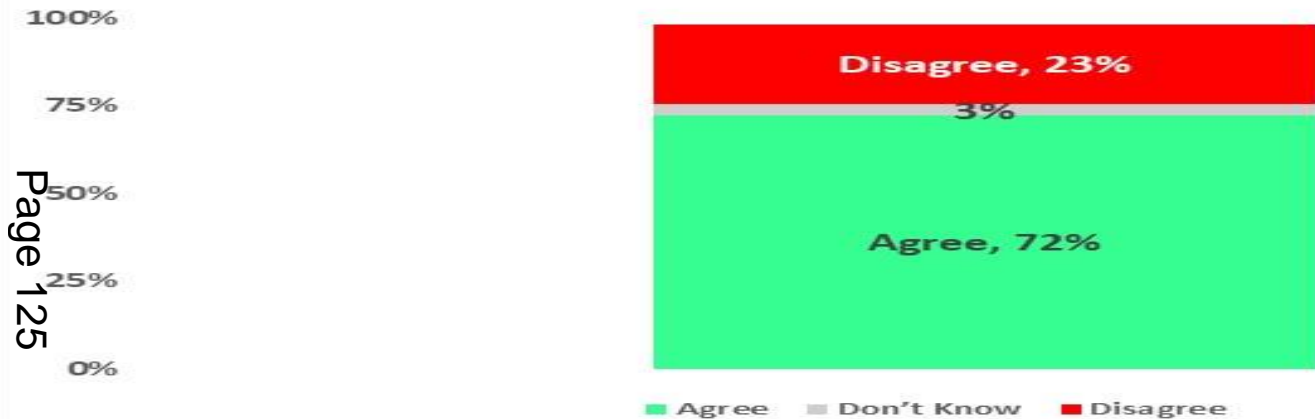
3. There are some barriers to engagement that potentially limit local participation

What we were told by local people and staff:

- Overall, people were able to engage easily with the Council over its proposals for Active Travel and Home to School Transport.
- Literacy in some areas is a potential barrier although the Council has invested in iPads and staff speak to people whenever possible.
- Generally people prefer face to face engagement.
- Mixed views about using IT as a means of engaging – and mixed ability.
- Timing of engagement is sometimes a problem – such as HtS Transport drop-in-events that people said felt rushed.
- Council meetings are generally during the day so it limits access for many working people who might want to observe decision making – and meetings are not recorded or live-streamed.
- Most people said in response our survey the council sought their views in a way that enabled them to participate.

3. Most people said the council sought their views in a way that enabled them to participate

The council sought my views in a way that enabled me to participate? Those people who answered 'yes' in question 1 (Opinion of 61 respondents)



“They should hold regular open meeting instead of popping every nowadays then at Ebbw Vale market with road show they don't speak to people they seem to wait until they are approached like a lot of politicians they think they are above everyone (in a funny way every voter employs them to look after our welfare and not to life better for themselves)”.

“They should have resident user panels so that all points of views could be put forward in the mix when considering something that affects them as councillors seem to get caught up in the local politics and go along with the main proponent”.

4. Communication with service users tends to be time limited and subject specific

What we were told by local people:

- Home to School Transport consultation provided lots of information through social media.
- Local people see engagement as a one off event - no ongoing feedback. Unclear how feedback received during engagement not relating to that topic is captured and used by the Council.
- People who participate in consultation rarely receive feedback.
- Some senior council officers found to be reluctant to engage.
- Very few people who responded to our survey believe the Council takes their views into account when making decisions.
- Nearly all local people who responded to our survey said they are willing to give their views to the Council in the future.

4. Communication with service users tends to be time limited and subject specific

Additional reflections from officers:

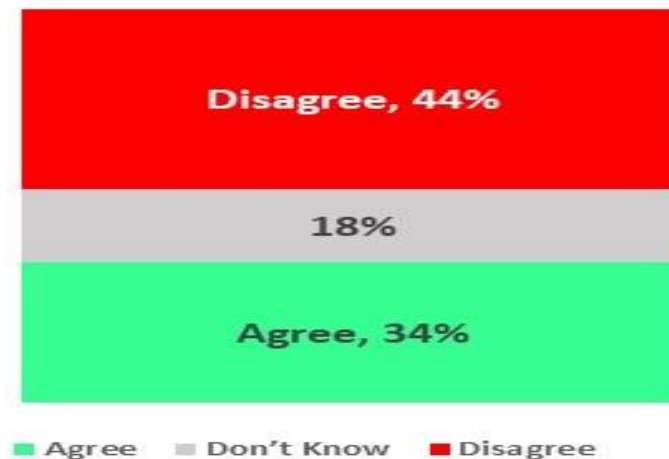
- Officers indicate that in providing feedback they use the 10 principles of engagement.
- The Council has changed the way it writes reports by providing all feedback as an appendix and reporting in themes.
- The output from the Active Travel consultation will be a report to Welsh Government that will be a public facing document and will draw inspiration from the Well-being Plan.

4. A third of people believe the Council takes their views into account when making decisions

I believe that the Council will take my views into account when making decisions? Those people who answered 'yes' in question 1 (Opinion of 61 respondents)

100%
75%
50%
25%
0%

Page 128

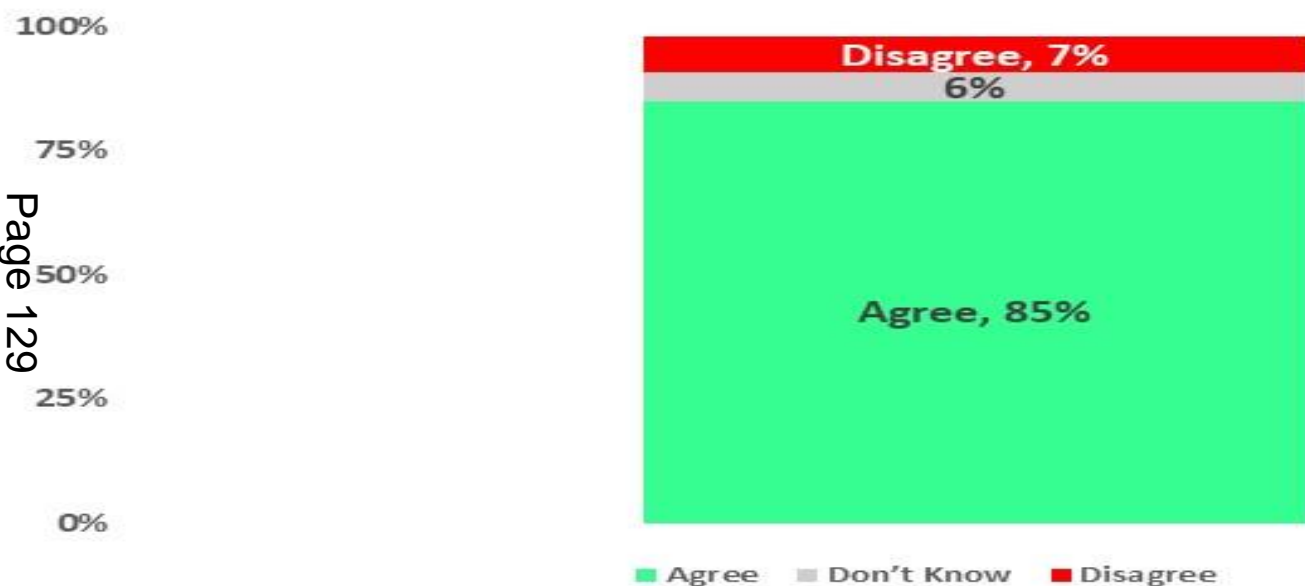


“There is a view that feedback doesn't inform decisions and some believe that the Council (senior management) proceed as they intended anyway. I'd suggest it could be made clearer how decisions have been made in light of the feedback received from staff / service users”.

“Sometimes you get the impression that the council asks for your view but they've already made their mind up regardless of everyone's view”.

4. Nearly all local people said they are willing to give their views to the Council in the future

I am willing to give my views to the Council in the future?
(Opinion of 193 respondents)



“Consultations not frequent enough and the Council does not fulfil on its promises”.

“Poor commitment to services for disabled customers I would like to know before decisions are made about things like disabled parking and access to buildings etc. Including local planning laws etc”.

This page is intentionally left blank