



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

# Annual Improvement Report

## Bridgend County Borough Council

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This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by Samantha Clements and Sara-Jane Byrne under the direction of Huw Rees.

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The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office Board, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the National Assembly.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies and assesses compliance with the requirements of the Local Government (Wales) Measure 2009.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Assembly Commission and National Health Service bodies in Wales.

The Auditor General and staff of the Wales Audit Office aim to provide public-focused and proportionate reporting on the stewardship of public resources and in the process provide insight and promote improvement.

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.

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# Summary report

## 2018-19 performance audit work

- 1 To decide the range and nature of the work we would undertake during the year, we considered how much we already know from all previous audit and inspection work and from other sources of information including Bridgend County Borough Council's (the Council) own mechanisms for review and evaluation. For 2018-19, we undertook improvement assessment work; an assurance and risk assessment project and work in relation to the Wellbeing of Future Generations Act at all councils. At some councils, we supplemented this work with local risk-based audits, identified in the Audit Plan for 2018-19.
- 2 The work carried out since the last Annual Improvement Report (AIR), including that of the relevant regulators, is set out in [Exhibit 1](#).

## The Council is meeting its statutory requirements in relation to continuous improvement

- 3 Based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Council is likely to comply with the requirements of the Local Government Measure (2009) during 2019-20.

## Recommendations and proposals for improvement

- 4 Given the wide range of services provided by the Council and the challenges it is facing, it would be unusual if we did not find things that can be improved. The Auditor General is able to:
  - make proposals for improvement – if proposals are made to the Council, we would expect it to do something about them and we will follow up what happens;
  - make formal recommendations for improvement – if a formal recommendation is made, the Council must prepare a response to that recommendation within 30 working days;
  - conduct a special inspection, publish a report and make recommendations; and
  - recommend to ministers of the Welsh Government that they intervene in some way.

- 5 During the course of the year, the Auditor General did not make any formal recommendations. However, we have made a number of proposals for improvement and these are repeated in this report. We will monitor progress against them and relevant recommendations made in our national reports ([Appendix 3](#)) as part of our improvement assessment work.

## Audit, regulatory and inspection work reported during 2018-19

### Exhibit 1: audit, regulatory and inspection work reported during 2018-19

Description of the work carried out since the last AIR, including that of the relevant regulators, where relevant.

Issue date	Brief description	Conclusions	Proposals for improvement
March 2019	<p><b>Assurance and Risk Assessment</b> Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council:</p> <ul style="list-style-type: none"> <li>• putting in place proper arrangements to secure value for money in the use of resources;</li> <li>• putting in place arrangements to secure continuous improvement; and</li> <li>• acting in accordance with the sustainable development principle in setting wellbeing objectives and taking steps to meet them.</li> </ul>	<p><b>Arising from this project we identified the following topics for inclusion in our audit programme at the council for 2019-20:</b></p> <ul style="list-style-type: none"> <li>• Financial Sustainability – a project common to all local councils that will assess financial sustainability in light of current and anticipated future challenges;</li> <li>• Transitioning to new Health Partnership – a project to assess the Council’s progress in transitioning to a new Health Partnership;</li> <li>• Workforce Strategy – a project to review the Council’s approach to workforce planning; and</li> <li>• Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations.</li> </ul>	Not applicable

Issue date	Brief description	Conclusions	Proposals for improvement
October 2019	<p><b>Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations</b></p> <p>Examination of the extent to which the Council has acted in accordance with the sustainable development principle in delivering the Porthcawl Resort Investment Focus Programme (PRIF). This step sits under the Council's Corporate Plan priorities of 'Supporting a successful economy' and 'Smarter use of resources'.</p> <p>A copy of the Auditor General's report can be found <a href="#">here</a>.</p>	<p>We can see some positive aspects in how the Council has taken account of the sustainable development principle in its approach to delivering the Porthcawl Resort Investment Focus (PRIF) programme, but further work is required to consistently embed the five ways of working:</p> <ul style="list-style-type: none"> <li>• the Council has considered long-term data and aspirations for the town to successfully access funding but would benefit from developing a long-term and holistic vision for the town;</li> <li>• the Council has designed the step to prevent further decline in the town as a tourist destination. However, there is limited understanding of the root causes of this decline;</li> <li>• the Council has designed the step to integrate plans with partners to access EU funding, but having a clearer vision for the town would facilitate a more integrated approach with partners;</li> <li>• the Council has considered how to collaborate with partners to deliver the PRIF projects. However, its approach to collaboration could be more strategic; and</li> </ul>	<p>We did not make any proposals for improvement in the Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations report but did highlight some areas of development which the Council plans to act on.</p>

Issue date	Brief description	Conclusions	Proposals for improvement
		<ul style="list-style-type: none"> <li>there is limited formal involvement and input to ensure that the full diversity of stakeholders is represented.</li> </ul>	
November 2018	<p><b>Annual audit letter 2017-18</b> Letter summarising the key messages arising from the Auditor General's statutory responsibilities under the Public Audit (Wales) Act 2004 and his reporting responsibilities under the Code of Audit Practice. The Annual Audit Letter is in <a href="#">Appendix 2</a> of this report.</p>	<ul style="list-style-type: none"> <li>The Council complied with its responsibilities relating to financial reporting and use of resources;</li> <li>I am satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources; and</li> <li>my work to date on certification of grant claims and returns has not identified significant issues that would impact on the annual accounts or key financial systems.</li> </ul>	None
<b>Local risk-based performance audit</b>			
October 2018	<p><b>Service User Perspective of Disabled Facilities Grants</b> A review focussed primarily upon the service user experience of the housing adaptation/disabled facilities grant process, with consideration of the earlier assessment process before the building work commences.</p> <p>A copy of the report can be found <a href="#">here</a></p>	<p><b>Most service users we spoke to were happy with the housing adaptations service, but the Council is not maximising opportunities to improve the service and deliver value for money:</b></p> <ul style="list-style-type: none"> <li>the Council has clear aims for the housing adaptations service recognising the difference it can make to people's lives, but the actions it has identified to improve the service are limited;</li> <li>most service users we spoke to are happy with the housing adaptations service and feel</li> </ul>	<p>P1 The Council should consider more broadly how its housing adaptations service can contribute to meeting its strategic aim 'To ensure that Bridgend County is a place that people want to live, where there is a choice of good quality, affordable, and sustainable housing, appropriate to the needs of each household' and the medium and longer-term actions needed to do this. In doing so, it should consider how it can apply the five ways of working from the Well-</p>



Issue date	Brief description	Conclusions	Proposals for improvement
		<p>that the adaptations have helped them with their needs;</p> <ul style="list-style-type: none"> <li>• most service users found the application process easy, but the Council receives regular queries which it is not best placed to answer as other outside parties become involved as the project progresses;</li> <li>• the Council could do more to help service users make informed choices about which agent and builder to use and to strengthen its oversight of them, particularly ensuring that builders are safe to work in the homes of vulnerable people;</li> <li>• most service users we spoke to were satisfied with the time it took for the Council to approve their housing adaptation, but the overall time taken for the Council to deliver adaptations has increased in recent years; and</li> <li>• there is scope for the Council to strengthen its arrangements for evaluating the housing adaptations service to help it learn and improve the service.</li> </ul>	<p>being of Future Generations (Wales) Act to help it do this and the Social Services and Well-being Act.</p> <p>P2 The Council should strengthen its arrangements for evaluating the housing adaptations service to help the Council improve the service. This includes improving the design of the service user survey and extending it to include all service users and to increase awareness of the survey and the results across the organisation.</p> <p>P3 The Council should help service users understand the often-complicated process that involves multiple organisations by providing a clear and simple overview of the grant process from beginning to end.</p> <p>P4 The Council should fully implement the recommendations made by the Auditor General for Wales in his report in 2018 on housing adaptations, most notably Recommendation 6 to introduce formal systems for accrediting contractors to undertake adaptations including developing effective</p>

Issue date	Brief description	Conclusions	Proposals for improvement
			<p>systems to manage and evaluate contractor performance.</p> <ul style="list-style-type: none"> <li>• The Council should ensure it has arrangements in place to monitor and manage the performance of third parties involved in the DFG process. This performance information should be shared with service users to inform their decision upon which agent and builder to engage for their housing adaptation.</li> <li>• Formally accrediting contractors and continually monitoring user satisfaction will satisfy the Council that adequate safeguards are in place to protect vulnerable service users when builders are entering their homes.</li> </ul> <p>P5 The Council needs to assure itself that it has appropriate controls in place to provide effective oversight of the adaptations process, given it is ultimately responsible for the delivery of the adaptation.</p>

Issue date	Brief description	Conclusions	Proposals for improvement
September 2019	<p><b>Environmental Health</b></p> <p>Review of the arrangements the council has put in place to deliver environmental health services building on the study previously undertaken by the Auditor General as part of the 'delivering with less' themed studies.</p> <p>Our report is available on our website <a href="#">here</a></p>	<p>The shared regulatory services (SRS) model is enabling the Council to sustain its delivery of environmental health services in a context of reducing resources and additional responsibilities placed on it by ongoing changes in legislation. There is scope for the Council to strengthen its scrutiny and oversight arrangements of environmental health services and work with SRS and other providers to explore the opportunities for future improvement.</p>	<p>P1 We found some evidence of cost, benefit and impact analysis being performed to enable decision-making around savings and changes to services. However, whilst consideration was given to the impact of staffing restructuring over the period between 2018-2021, it was also acknowledged amongst officers and members that the real impact of this will be largely unknown until £498k of savings begin to take effect.</p> <p>The Council should subject any future changes to environmental health services to a more rigorous analysis of costs, benefits and impacts.</p> <p>P2 The Council should investigate further possibilities for commercialisation and income generation for environmental health services in order to provide additional financial capacity if funding reduces in the future.</p> <p>P3 When considering how environmental health services may need to change in the future, the Council should ensure that the</p>

Issue date	Brief description	Conclusions	Proposals for improvement
			<p>distinction between statutory and non-statutory services is clearly documented and understood by decision-makers. This will help ensure that statutory responsibilities and powers are weighed and prioritised appropriately alongside discretionary services.</p> <p>P4 The Council should introduce greater challenge of the level and quality of environmental health services provided by third parties, including the SRS under the Joint Working Agreement.</p> <p>P5 The Council should strengthen its 'client' / contract management of its environmental health services by:</p> <ul style="list-style-type: none"> <li>• adopting a more proactive approach to managing the performance of contractors (including the SRS) to enable the Council to hold its partners to account for their performance;</li> <li>• reviewing the outsourced Mitie pest control contract, including the historical call out volume data, to seek to establish whether the current flat monthly fee payment structure represents value for</li> </ul>

Issue date	Brief description	Conclusions	Proposals for improvement
			<p>money to the Council. This can be subsequently used to inform the contract renegotiation on renewal in 2020.</p> <p>R6 The Council should work with SRS to undertake a review of business continuity and succession planning arrangements in relation to the SRS to mitigate the risk of overreliance on key individuals, such as the Head of SRS and operational managers.</p> <p>P7 The Council should strengthen elected member oversight of its environmental health services, for example through more regular Scrutiny of services provided by third parties including the SRS.</p> <p>P8 The Council should consider introducing more structured and targeted development and training opportunities for relevant members, which may be beneficial in the event of changes in personnel and in areas experiencing changes in legislation, eg air pollution/food safety/ infectious diseases.</p> <p>P9 The Council should more clearly link any future decisions on changes to service levels to an assessment of</p>

Issue date	Brief description	Conclusions	Proposals for improvement
			<p>impact on relevant stakeholders, including service users and residents. Whether consultation is necessary, and the most appropriate means of consulting should be decided on a case-by-case basis. However, where changes are likely to impact service users, businesses and local residents, they should be aware of and consulted on these decisions.</p> <p>P10 The Council needs to build on initiatives such as the SRS Noise app, to ensure that future funding reductions can be mitigated by innovation and transformation in service delivery and that environmental health services are able to benefit from new technologies.</p>
September 2019	<p><b>Saving Planning follow up report</b></p> <p>Our report on savings planning, issued to the Council in March 2017, made a proposal for improvement for the Council to strengthen financial planning arrangements by:</p> <ul style="list-style-type: none"> <li>ensuring that savings proposals are fully developed</li> </ul>	<p>The Council has strengthened arrangements to develop and achieve savings plans, but further work is needed to develop a deliverable medium term financial strategy.</p> <ul style="list-style-type: none"> <li>The Council has identified some indicative savings proposals to cover the period of the medium term financial strategy, but more work is needed to fully develop proposals for 2020-21 and beyond;</li> </ul>	None.

Issue date	Brief description	Conclusions	Proposals for improvement
	<p>and include realistic delivery timescales prior to inclusion in the annual budget; and</p> <ul style="list-style-type: none"> <li>identifying indicative savings proposals over the period of the Medium Term Financial Plan.</li> </ul> <p>Our review in summer 2019, assessed the Council's progress in addressing these proposals for improvement and considered the effectiveness of the Council's arrangements for achieving its savings proposals.</p> <p>Our report is available on our <a href="#">website</a>.</p>	<ul style="list-style-type: none"> <li>The Council has strengthened the arrangements for developing budget savings proposals, but further work is needed to ensure that timescales for delivery are as accurate as possible; and</li> <li>In prior years, achievement of savings plans has been variable, but the Council achieved most of its 2018-19 savings plans and now needs to ensure that its strengthened arrangements continue this improved position.</li> </ul>	
October 2019	<p><b>Follow-up review of corporate arrangements for the safeguarding of children</b></p> <p>Review of the effectiveness of corporate safeguarding arrangements building on the study previously undertaken by the Auditor General in this area.</p>	<p>The Council has met, or partially met, our previous recommendations and proposals for improvement, but we have identified some further proposals for improvement to strengthen aspects of the Council's corporate safeguarding arrangements.</p>	<p>P1 The Council should strengthen awareness of the roles of the lead officer and lead member for safeguarding by:</p> <ul style="list-style-type: none"> <li>including information about the roles of the lead member and lead officer for safeguarding on the Council's safeguarding intranet pages; and</li> <li>ensuring safeguarding is included in the lead member's portfolio responsibilities on the Council website.</li> </ul>

Issue date	Brief description	Conclusions	Proposals for improvement
			<p>P2 The Council should strengthen the Corporate Safeguarding Policy in the following ways:</p> <ul style="list-style-type: none"> <li>• clarify the role and responsibilities of the lead member for safeguarding;</li> <li>• set out the role of scrutiny in the Council's safeguarding arrangements;</li> <li>• clarify the role of the operational corporate safeguarding board; and</li> <li>• remove obsolete reference to safeguarding champions.</li> </ul> <p>P3 The Council should strengthen its Recruitment and Selection Managers' Guidelines in relation to safeguarding and safe recruitment. For example:</p> <ul style="list-style-type: none"> <li>• the job descriptions section could refer to safeguarding for relevant posts;</li> <li>• specify that job adverts for posts that require a Disclosure and Barring Service (DBS) check will contain an explicit statement on safeguarding; and</li> </ul>



Issue date	Brief description	Conclusions	Proposals for improvement
			<ul style="list-style-type: none"> <li>• the Guidelines should cross refer to the DBS Policy and the Corporate Safeguarding Policy.</li> </ul> <p>P4 The Council should update its DBS Policy to ensure it makes reference to current legislation.</p> <p>P5 The Council should ensure the consistent use of safeguarding provisions in tenders and contracts across all Directorates and ensure appropriate monitoring of such contractual provisions.</p> <p>P6 The Council should improve its approach to safeguarding training in the following ways:</p> <ul style="list-style-type: none"> <li>• clarify when mandatory safeguarding training needs to be refreshed;</li> <li>• clarify how often safeguarding training should be offered to members; and</li> <li>• accelerate the rate of compliance with the completion of its mandatory safeguarding training.</li> </ul> <p>P7 The Council should develop a central system for recording and monitoring volunteer information, including any training records and DBS checks for</p>

Issue date	Brief description	Conclusions	Proposals for improvement
			<p>volunteers, and consider producing central guidance for the recruitment of volunteers.</p> <p>P8 The Council should consider producing further performance measures (for example in respect of DBS check compliance and mandatory safeguarding training) to enhance the performance information that goes to scrutiny and aid transparency.</p> <p>P9 The Council should consider the merits of the operational corporate safeguarding group having oversight of corporate safeguarding risks from across the Council.</p>

Issue date	Brief description	Conclusions	Proposals for improvement
<b>Improvement planning and reporting</b>			
April 2018	<b>Wales Audit Office annual improvement plan audit</b> Review of the Council's published plans for delivering on improvement objectives.	The Council has complied with its statutory improvement planning duties.	None
November 2018	<b>Wales Audit Office annual assessment of performance audit</b> Review of the Council's published performance assessment.	The Council has complied with its statutory improvement reporting duties.	None
<b>Reviews by inspection and regulation bodies</b>			
Estyn March 2019	<b>A report on Bridgend County Borough Council March 2019</b> [A copy of the report can be found <a href="#">here</a> ]	Senior officers and elected members share a clear vision for education in Bridgend. The authority's approach of collaborative working across services areas and with schools, known as 'Team Bridgend', is effective, in particular in improving support for vulnerable learners. Schools are integral to decision-making processes about education. The local authority's allocation of resources to its education services and schools reflects the high priority given to education in the corporate plan.  Overall, pupils in Bridgend make good progress between the statutory school ages of five and sixteen. Standards at key stage 4 in secondary schools over the last three years compare well	R1 Raise standards of literacy in primary schools R2 Improve outcomes for post-16 learners in sixth forms R3 Increase the pace of improvement in schools causing concern R4 Strengthen the role of the Welsh Education Strategic Forum to ensure timely progress in delivering the priorities identified in the Welsh in Education Strategic Plan

Issue date	Brief description	Conclusions	Proposals for improvement
		<p>with those in similar local authorities. However, standards in sixth forms in schools compare less favourably with the national average. Outcomes for primary-aged pupils are not as strong as for those in secondary schools, particularly in literacy. Across the local authority, children and young people make a very positive contribution to influencing decisions that affect them. The local authority provides them with well-structured processes and activities and they engage well.</p> <p>School improvement officers in the local authority work well with officers and advisers from the regional consortium to support schools to improve. This support is generally effective, although the pace of progress in schools causing concern is too slow. The local authority has a strong commitment to meeting the needs of pupils with emotional, social and behavioural difficulties and provides a good range of services to support schools and pupils.</p> <p>The authority's self-evaluation process is well established across the directorate, and takes good account of contributions from its stakeholders, including school leaders and pupils. This enables managers to evaluate the quality of services, taking into account a wide range of perspectives.</p>	

Issue date	Brief description	Conclusions	Proposals for improvement
<p>HM Inspectorate of Probation (involving inspectors from HM Inspectorate of Constabulary, Fire and Rescue Service (HMICFRS), Care Inspectorate Wales (CIW), Healthcare Inspectorate Wales (HIW) and Estyn</p> <p>March 2019</p>	<p><b>Inspection of Youth offending services in Western Bay</b></p> <p>HMI Probation inspected and rated Western Bay Youth Justice and Early Intervention Service across three broad areas: the arrangements for organisational delivery, and the quality of both court disposal and out-of-court disposal work.</p>	<p>Western Bay Youth Justice and Early Intervention Service was rated as ‘Inadequate’ – the lowest rating.</p>	<p>HM Inspectorate of Probation made 14 recommendations, which are set out in its report available on its website <a href="#">here</a>.</p>
<p>Care Inspectorate Wales (CIW)</p> <p>June 2019</p>	<p><b>Annual performance review letter 2018/19</b></p> <p>This letter summarises CIW’s evaluation of performance of social services (adults and children’s services) during 2018/19. It also sets out how CIW is planning to review performance over the coming year.</p>	<p><a href="#">Copy of CIW’s annual performance review letter</a></p>	<p>Not applicable</p>

# Appendix 1

## Status of this report

The Local Government (Wales) Measure 2009 (the Measure) requires the Auditor General to undertake a forward-looking annual improvement assessment, and to publish an annual improvement report, for each improvement authority in Wales. Improvement authorities (defined as local councils, national parks, and fire and rescue authorities) have a general duty to 'make arrangements to secure continuous improvement in the exercise of [their] functions'.

The annual improvement assessment considers the likelihood that an authority will comply with its duty to make arrangements to secure continuous improvement. The assessment is also the main piece of work that enables the Auditor General to fulfil his duties. Staff of the Wales Audit Office, on behalf of the Auditor General, produce the annual improvement report. The report discharges the Auditor General's duties under section 24 of the Measure, by summarising his audit and assessment work in a published annual improvement report for each authority. The report also discharges his duties under section 19 to issue a report certifying that he has carried out an improvement assessment under section 18 and stating whether (as a result of his improvement plan audit under section 17) he believes that the authority has discharged its improvement planning duties under section 15.

The Auditor General may also, in some circumstances, carry out special inspections (under section 21), which will be reported to the authority and Ministers, and which he may publish (under section 22). An important ancillary activity for the Auditor General is the co-ordination of assessment and regulatory work (required by section 23), which takes into consideration the overall programme of work of all relevant regulators at an improvement authority. The Auditor General may also take account of information shared by relevant regulators (under section 33) in his assessments.

# Appendix 2

## Annual Audit Letter

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Please contact us in Welsh or English.

Cysylltwch â ni'n Gymraeg neu'n Saesneg.

Councillor Huw David  
The Leader  
Bridgend County Borough Council  
Civic Offices  
Angel Street  
Bridgend  
CF31 4WB

**Reference:** 907A2018-19

**Date issued:** 19 November 2018

Dear Councillor David

### Annual Audit Letter – Bridgend County Borough Council 2017-18

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 and my reporting responsibilities under the Code of Audit Practice.

#### The Council complied with its responsibilities relating to financial reporting and use of resources

It is Bridgend County Borough Council's (the Council's) responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a statement of accounts in accordance with relevant requirements; and

- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their statement of accounts in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom (the Code). The Code is based on International Financial Reporting Standards.

On 12 September 2018 I issued an unqualified audit opinion on the statement of accounts confirming that they present a true and fair view of the Council's financial position and transactions. My report is contained within the statement of accounts. The key matters arising from the audit were reported to members of the Audit Committee in my 'Audit of Financial Statements' report on the 6 September 2018. In this report I confirmed that the quality of the draft accounts and associated records presented for audit had been prepared to a generally high standard, reflecting the Council's continued improvement over recent years.

## Local authorities in Wales face significant financial challenges

Austerity funding remains the most significant challenge facing all local government bodies in Wales and these financial pressures are likely to continue for the medium term. The recent provisional local government funding settlement for 2019-20 will see the Council settlement decrease by £1.22 million or 0.6%. This percentage decrease is larger than the all-Wales figure of 0.3%.

For 2017-18 the Council underspent its net revenue expenditure by £6.5 million (before transfers to earmarked reserves). As at the 31 March 2018 the Council had usable reserves of £77.9 million, being £2.8 million lower than the previous year. The useable reserves of £77.9 million consisted of earmarked reserves of £48.1 million, a capital receipts reserve of £21.2 million, a council-fund balance of £8.3 million, and a capital grants unapplied reserve of £0.3 million.

For the current 2018-19 financial year, the Council forecasts within its latest management accounts that it will deliver an operational underspend of £4.5 million (before the forecast transfer to earmarked reserves). The Council's 'Medium Term Financial Strategy 2018-19 to 2021-22'<sup>1</sup> sets out budget reduction proposals of £32.6 million. Within this figure £6.1 million of the reductions relate to 2018-19, for which the Council has identified proposals. For the remaining figure of £26.5 million for the three years to 31 March 2022, the Council

<sup>1</sup> Dated February 2018



has identified reductions of £7.1 million and is yet to identify reductions for the remaining £19.4 million.

### **I am satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources**

My consideration of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed under the Local Government (Wales) Measure 2009.

I am satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources, although in September 2018 I set out in my 'Annual Improvement Report'<sup>2</sup> the areas where improvements could be made.

On 12 September 2018 I issued a certificate confirming that the audit of the 2017-18 accounts was completed.


### **My work to date on certification of grant claims and returns has not identified significant issues that would impact on the annual accounts or key financial systems**

This audit work is ongoing with no significant issues thus far. In early 2019 I will issue my grant report on the audit of the Council's 2017-18 grant claims and returns. This report is considered each year by the Council's Audit Committee.

### **Financial audit fees**

The financial audit fee for 2017-18 is currently expected to be in line with the agreed fee set out in the Annual Audit Plan. The final fee for my audit of the Council's 2017-18 grant claims and returns will be set out in my grant report.

Yours sincerely



**Derwyn Owen**

**For and on behalf of the Auditor General for Wales**

Cc: Darren Mephram, Chief Executive Officer  
Gill Lewis, Section 151 Officer

<sup>2</sup> [Bridgend County Borough Council – Annual Improvement Report 2017-18](#)

# Appendix 3

## National report recommendations 2018-19

### Exhibit 3: national report recommendations 2018-19

Summary of proposals for improvement relevant to local government, included in national reports published by the Wales Audit Office, since publication of the last AIR.

Date of report	Title of review	Recommendation
October 2018	<u>Procuring Residual and Food Waste Treatment Capacity</u>	<p>R1 The projections for the three residual waste projects in the Programme assume that, across the 14 councils involved, the overall amount of residual waste will increase through the lifetime of the contracts. If these projections are accurate then something significant would have to occur beyond 2040 to reach zero waste across these council areas by 2050. If the projections are not accurate then there is the risk that councils will pay for capacity they do not need. <b>We recommend that the Welsh Government:</b></p> <ul style="list-style-type: none"><li>• <b>in reviewing the Towards Zero Waste strategy, considers how its ambition of there being no residual waste by 2050 aligns with current projections for residual waste treatment; and</b></li><li>• <b>works with councils to consider the impact of changes in projections on the likely cost of residual waste projects and any mitigating action needed to manage these costs.</b></li></ul>

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		<p>R2 The Welsh Government's programme support to date has mainly focused on project development and procurement. Now that most of the projects are operational, the focus has shifted to contract management. <b>We recommend that the Welsh Government continue its oversight of projects during the operational phase by:</b></p> <ul style="list-style-type: none"> <li>• <b>building on its existing model of providing experienced individuals to assist with project development and procurement and making sure input is available to assist with contract management if required;</b></li> <li>• <b>setting out its expectations of councils regarding contract management;</b></li> <li>• <b>ensuring partnerships revisit their waste projections and associated risks periodically, for example to reflect updated population projections or economic forecasts; and</b></li> <li>• <b>obtaining from partnerships basic management information on gate fees paid, amount of waste sent to facilities and quality of contractor service.</b></li> </ul>

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November 2018	<a href="#"><u>Local Government Services to Rural Communities</u></a>	<p>R1 Socio economic change, poor infrastructure and shifts in provision of key services and facilities has resulted in the residualisation of communities in rural Wales. <b>We recommend that Welsh Government support public bodies to deliver a more integrated approach to service delivery in rural areas by:</b></p> <ul style="list-style-type: none"> <li>• <b>refreshing rural grant programmes to create sustainable financial structures, with multi-year allocations; and</b></li> <li>• <b>helping people and businesses make the most of digital connectivity through targeted and more effective business and adult education support programmes.</b></li> </ul> <p>R2 The role of Public Service Boards is evolving but there are opportunities to articulate a clearer and more ambitious shared vision for rural Wales (see paragraphs 2.2 to 2.9 and 2.28 to 2.31). <b>We recommend that PSB public services partners respond more effectively to the challenges faced by rural communities by:</b></p> <ul style="list-style-type: none"> <li>• <b>assessing the strengths and weaknesses of their different rural communities using the Welsh Governments Rural Proofing Tool and identify and agree the local and strategic actions needed to support community sustainability; and</b></li> <li>• <b>ensuring the Local Well-Being Plan sets out a more optimistic and ambitious vision for ‘place’</b></li> </ul>

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		<p style="text-align: center;"><b>with joint priorities co-produced by partners and with citizens to address agreed challenges.</b></p> <p>R3 To help sustain rural communities, public services need to think differently in the future (see paragraphs 3.1 to 3.12). <b>We recommend councils provide a more effective response to the challenges faced by rural communities by:</b></p> <ul style="list-style-type: none"> <li>• <b>ensuring service commissioners have cost data and qualitative information on the full range of service options available; and</b></li> <li>• <b>using citizens' views on the availability, affordability, accessibility, adequacy and acceptability of council services to shape the delivery and integration of services.</b></li> </ul> <p>R4 To help sustain rural communities, public services need to act differently in the future (see paragraphs 3.1 to 3.12). <b>We recommend councils do more to develop community resilience and self-help by:</b></p> <ul style="list-style-type: none"> <li>• <b>working with relevant bodies such as the Wales Co-operative Centre to support social enterprise and more collaborative business models;</b></li> <li>• <b>providing tailored community outreach for those who face multiple barriers to accessing public services and work;</b></li> </ul>

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		<ul style="list-style-type: none"> <li>• enhancing and recognising the role of town and community councils by capitalising on their local knowledge and supporting them to do more;</li> <li>• encouraging a more integrated approach to service delivery in rural areas by establishing pan-public service community hubs, networks of expertise, and clusters of advice and prevention services;</li> <li>• enabling local action by supporting community asset transfer identifying which assets are suitable to transfer, and having the right systems in place to make things happen; and</li> <li>• improving community-based leadership by developing networks of interest, training and coaching, and encouraging volunteering.</li> </ul>
November 2018	<b><u>Waste Management in Wales: Municipal Recycling</u></b>	<p>R1 Benchmarking work has found that the cost of certain waste management services show surprising variation (paragraphs 1.31-1.39). <b>The Welsh Government should work with councils to understand better the basis of the variation in spending on waste management services that are fundamentally the same and ensure that waste management costs are accounted for in a consistent way.</b></p> <p>R2 The Welsh Government believes that, if applied optimally, its Collections Blueprint offers the most cost-effective overall means of collecting recyclable resources but is planning</p>

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		<p>further analysis (paragraphs 1.40-1.51). <b>When undertaking its further analysis to understand better the reasons for differences in councils' reported costs, and the impact on costs where councils have adopted the Collections Blueprint, we recommend that the Welsh Government:</b></p> <ul style="list-style-type: none"> <li>• <b>explores how the cost of collecting dry recyclables may affect the overall cost of providing kerbside waste management services to households; and</b></li> <li>• <b>compares the actual costs with the costs modelled previously as part of the Welsh Government-commissioned review of the Collections Blueprint for councils that now operate the Collections Blueprint.</b></li> </ul> <p>R3 The Welsh Government has undertaken to consider alternatives to the current weight-based recycling targets which can better demonstrate the delivery of its ecological footprint and carbon reduction goals (paragraphs 2.38-2.45). <b>We recommend that the Welsh Government replace or complement the current target to recycle, compost and reuse wastes with performance measures to refocus recycling on the waste resources that have the largest impact on carbon reduction, and/or are scarce. We recognise that the Welsh Government may need to consider the affordability of data collection for any alternative means of measurement.</b></p>

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		<p>R4 In refreshing Towards Zero Waste, the Welsh Government needs to show that wider sustainability benefits sought through municipal recycling offer value and cannot be more readily attained in other ways and at lower cost including, but not necessarily limited to, other waste management interventions (paragraphs 2.52-2.53). <b>The Welsh Government should demonstrate in the revised waste strategy that not only is it possible to recycle a greater proportion of municipal waste, but how doing so maximises its contribution to achieving its sustainable development objectives.</b></p>
November 2018	<p><u><a href="#">Provision of Local Government Services to Rural Communities: Community Asset Transfer</a></u></p>	<p>R1 Local authorities need to do more to make CATs (Community Asset Transfers) simpler and more appealing, help build the capacity of community and town councils, give them more guidance in raising finance, and look to support other community development models such as social enterprises that support social value and citizen involvement. <b>In addition, we recommend that local authorities monitor and publish CAT numbers and measure the social impact of CATs.</b></p> <p>R2 Local authorities have significant scope to provide better and more visible help and support before, during, and after the community asset transfer process. <b>We conclude that there is considerable scope to improve the business planning, preparation, and aftercare for community asset transfer. We recommend that local authorities:</b></p>



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		<ul style="list-style-type: none"> <li>• identify community assets transfer's role in establishing community hubs, networks of expertise and clusters of advice and prevention services;</li> <li>• work with town and community councils to develop their ability to take on more CATs;</li> <li>• identify which assets are suitable to transfer, and clarify what the authority needs to do to enable their transfer;</li> <li>• ensure their CAT policy adequately covers aftercare, long term support, post transfer support, signposting access to finance, and sharing the learning about works well; and</li> <li>• support community-based leadership by developing networks of interest, training and coaching, and encouraging volunteering.</li> </ul>
December 2018	<u><a href="#">The maturity of local government in use of data</a></u>	<p><b>R1</b> Part 1 of the report highlights the importance of creating a strong data culture and clear leadership to make better use of data. We recommend that local authorities:</p> <ul style="list-style-type: none"> <li>• have a clear vision that treats data as a key resource;</li> <li>• establish corporate data standards and coding that all services use for their core data;</li> <li>• undertake an audit to determine what data is held by services and identify any duplicated records and information requests; and</li> </ul>

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		<ul style="list-style-type: none"> <li>• create a central integrated customer account as a gateway to services.</li> </ul> <p><b>R2 Part 2 of the report notes that whilst it is important that authorities comply with relevant data protection legislation, they also need to share data with partners to ensure citizens receive efficient and effective services. Whilst these two things are not mutually exclusive, uncertainty on data protection responsibilities is resulting in some officers not sharing data, even where there is agreement to provide partners with information. We recommend that authorities:</b></p> <ul style="list-style-type: none"> <li>• provide refresher training to service managers to ensure they know when and what data they can and cannot share; and</li> <li>• review and update data sharing protocols to ensure they support services to deliver their data sharing responsibilities.</li> </ul> <p><b>R3 In Part 3 of our report, we conclude that adequate resources and sufficient capacity are ongoing challenges. However, without upskilling staff to make better use of data, authorities are missing opportunities to improve their efficiency and effectiveness. We recommend that authorities:</b></p> <ul style="list-style-type: none"> <li>• identify staff who have a role in analysing and managing data to remove duplication and free up</li> </ul>

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		<p>resources to build and develop capacity in data usage; and</p> <ul style="list-style-type: none"> <li>• invest and support the development of staff data analytical, mining and segmentation skills.</li> </ul> <p><b>R4 Part 4 of our report highlights that authorities have more to do to create a data-driven decision-making culture and to unlock the potential of the data they hold. We recommend that local authorities:</b></p> <ul style="list-style-type: none"> <li>• set data reporting standards to ensure minimum data standards underpin decision making; and</li> <li>• make more open data available.</li> </ul>
March 2019	<p><b><u>Waste Management in Wales - Preventing waste</u></b></p>	<p><b>R1 Increasing the focus on waste prevention to reflect the overall aims of Towards Zero Waste</b></p> <p>Available data on the amount of waste produced suggests mixed progress to deliver the Welsh Government's waste prevention targets. We recommend that the Welsh Government:</p> <ol style="list-style-type: none"> <li>a) revisits the relative priority it gives to recycling and waste prevention as part of its review of Towards Zero Waste;</li> <li>b) sets out clearly the expectations on different organisations and sectors for waste prevention; and</li> <li>c) revisits its overall waste prevention targets and the approach it has taken to monitor them in light of progress to date, examples from other countries and</li> </ol>

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		<p>in the context of current projections about waste arising through to 2050.</p> <p><b>R2 Improving data on commercial, industrial, construction and demolition waste</b></p> <p>The Welsh Government is a partner in initial work to assess the feasibility of developing a new digital solution to track all waste. If this preferred option does not succeed, we recommend that the Welsh Government works with Natural Resources Wales to explore the costs and benefits of other options to improve non-municipal waste data in Wales, including additional powers to require waste data from businesses.</p> <p><b>R3 Enhancing producer responsibility and using more legal, financial and fiscal levers</b></p> <p>The Welsh Government has opportunities to influence waste prevention through legislation and financial incentives. It can also influence changes at UK level where fiscal matters are not devolved. We recommend that the Welsh Government consider whether provisions to extend producer responsibility and the use of financial powers such as grant conditions, fiscal measures and customer charges and incentives, are needed to promote and to prioritise waste prevention.</p>
June 2019	<b><u>The effectiveness of local planning authorities in Wales</u></b>	<p>R1 Part 1 of the report sets out the complexities of the planning system showing how challenging it is for local planning authorities to effectively engage with and involve</p>

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		<p>stakeholders in choices and decisions. To improve involvement with stakeholders and ownership of decisions we recommend that:</p> <ul style="list-style-type: none"> <li>• local planning authorities: <ul style="list-style-type: none"> <li>– test current engagement and involvement practices and consider the full range of other options available to ensure involvement activities are fit for purpose;</li> <li>– use ‘Place Plans’ as a vehicle to engage and involve communities and citizens in planning choices and decision making; and</li> <li>– improve transparency and accountability by holding planning meetings at appropriate times, rotating meetings to take place in areas which are subject to proposed development, webcasting meetings and providing opportunities for stakeholders to address committee meetings.</li> </ul> </li> <li>• Welsh Government: <ul style="list-style-type: none"> <li>– review the Development Management Procedure Order 2012 and update the engagement and involvement standards for local planning authorities.</li> </ul> </li> </ul> <p>R2 Part 2 of the report highlights that local planning authorities have been subject to significant reductions in funding and</p>

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		<p>struggle to deliver their statutory responsibilities. To improve resilience, we recommend that local planning authorities:</p> <ul style="list-style-type: none"> <li>• review their building control fee regimes to ensure the levels set, better reflect the actual cost of providing these services and make the service self-funding; and</li> <li>• improve capacity by working regionally to: <ul style="list-style-type: none"> <li>– integrate services to address specialism gaps;</li> <li>– develop joint supplementary planning guidance; and</li> <li>– develop future local development plans regionally and in partnership with other local planning authorities.</li> </ul> </li> </ul> <p>R3 Part 2 of the report highlights that the cost of development control services is not reflected in the charges set for these services and progress in developing regional responses to strengthen resilience has been slow. We recommend that the Welsh Government:</p> <ul style="list-style-type: none"> <li>• reviews development control fees to ensure the levels set, better reflect the actual cost of providing these services; and</li> <li>• consider how to use the powers in the Planning (Wales) Act to support and improve local planning authority capacity and resilience.</li> </ul> <p>R4 Part 3 of the report summarises the effectiveness and impact of local planning authorities decision making and how well they are performing against national measures. We</p>

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		<p>recommend that local planning authorities improve the effectiveness of planning committees by:</p> <ul style="list-style-type: none"> <li>• reviewing their scheme of delegation to ensure planning committees are focussed on the most important strategic issues relevant to their authority;</li> <li>• revising reporting templates to ensure they are clear and unambiguous to help guide decision making and reduce the level of officer recommendations overturned; and</li> <li>• enforcing the local planning authorities' standards of conduct for meetings.</li> </ul> <p>R5 Part 4 of the report identifies the central role of planning to delivering the ambitions of the Wellbeing of Future Generations Act. We recommend that local planning authorities:</p> <ul style="list-style-type: none"> <li>• set a clear ambitious vision that shows how planning contributes to improving wellbeing;</li> <li>• provide planning committee members with regular and appropriate wellbeing training and support to help deliver their wider responsibilities;</li> <li>• set appropriate measures for their administration of the planning system and the impact of their planning decisions on wellbeing; and</li> <li>• annually publish these performance measures to judge planning authorities impact on wellbeing.</li> </ul>

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September 2019	<u>The 'front door' to adult social care</u>	<p><b>Improving access to the front door</b></p> <p>R1 Part 1 of the report sets out how authorities promote access to the 'front door' and provide information, advice and assistance to help people to improve their wellbeing and prevent their needs from deteriorating. To improve awareness of the front door we recommend that:</p> <ul style="list-style-type: none"> <li>• local authorities: <ul style="list-style-type: none"> <li>– review their current approaches, consider their audience, and ensure that good-quality information is made available in a timely manner to avoid needs deteriorating and people presenting for assistance in 'crisis';</li> <li>– work in partnership with public and third-sector partners to help ensure people accessing via partner referrals, or other avenues, are given the best information to help them;</li> <li>– ensure that advocacy services are commissioned and proactively offered to those who need them at first point of contact; and</li> <li>– to take local ownership and lead on the co-ordination and editing of local information published on Dewis Cymru locally.</li> </ul> </li> <li>• The Welsh Government: <ul style="list-style-type: none"> <li>– improve carers' awareness and understanding of their rights to be assessed for their own care and support needs, aimed at generating</li> </ul> </li> </ul>



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		<p style="padding-left: 40px;">demand for local authorities' preventative services; and</p> <ul style="list-style-type: none"> <li>– undertake a full evaluation of the role of Dewis Cymru in the wider implementation of the Act and use the data gained to build on its potential as a national information sharing portal.</li> </ul> <p><b>Investing in prevention and understanding impact</b></p> <p>R2 Part 2 of the report highlights weaknesses in authorities' assurance of the availability and quality of third-sector, preventative, community based services that they signpost people to. We recommend that:</p> <ul style="list-style-type: none"> <li>• local authorities: <ul style="list-style-type: none"> <li>– map the availability of preventative services in their area to better understand current levels of provision and identify gaps and duplication;</li> <li>– involve third-sector partners in co-producing preventative solutions to meet people's needs and ensure people have equitable access to these services;</li> <li>– work with third-sector partners to tailor and commission new services where gaps are identified; and</li> <li>– work with partners to improve data to evaluate the impact of preventative services on individuals and the population more generally.</li> </ul> </li> <li>• Welsh Government:</li> </ul>

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		<ul style="list-style-type: none"> <li data-bbox="1122 435 1742 639">– improve the cost evaluation in relation to the impact of the Act in a national context, and support local authorities to ensure that the desired impact of prevention on overall social-care expenditure becomes a demonstratable reality.</li> </ul> <p data-bbox="974 651 1727 746">As part of our report, we also published an interactive data tool, short film and an infographic about carers' stories. These are available on our website <a href="#">here</a>.</p>



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