

Cardiff Council

Draft Annual Governance

Statement 2023/24

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Scope of Responsibility

1. Cardiff Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, having regard to a combination of economy, efficiency, and effectiveness. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, and facilitating the effective exercise of its functions, including arrangements for the management of risk.
2. The Council is responsible for the Cardiff Harbour Authority. The Council is also the Administering Authority for the Cardiff and Vale of Glamorgan Pension Fund (the Pension Fund) and Cardiff Port Health Authority (CPHA) and is the Accountable Body for the Cardiff Capital Region (CCR) City Deal. Cardiff Council has five wholly owned subsidiary companies of which three actively traded in 2023/24, most significantly Cardiff City Transport Services Ltd. (Cardiff Bus). The Council also has an interest in a special purpose vehicle (CSC Foundry Limited) which is governed by a Joint Committee for the CCR City Deal.
3. The governance arrangements detailed in this Annual Governance Statement (AGS) are documented in consideration of the Council's areas of responsibility, and the extent to which the Council is charged with governance.
4. The Council has adopted the 'Delivering Good Governance in Local Government' framework (the Governance Framework), developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE). This AGS explains how the Council has complied with the Governance Framework and meets the requirements of the Accounts and Audit (Wales) Regulations 2014, as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018.

The Purpose of the Governance Framework

5. The Governance Framework comprises the systems, processes, culture, and values by which the Council is directed and controlled, and the means through which it accounts to, engages with, and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services. The Council's Constitution sets out how decisions are made and the procedures which are followed through rules, codes of practice and protocols.
6. The system of internal control is a significant part of the Framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives but is based on an ongoing process to identify, prioritise, and appropriately manage risk.
7. The Code of Corporate Governance documents how we apply the principles of good governance (as summarised in Section 4 of the AGS – Assessment Process

and Summary). This Code can be found within the Council Constitution (Part 5) and was last ratified in July 2023.

The Governance Framework

8. The Framework comprises two core principles and five supporting principles. Principles A and B run through principles C to G, but good governance is dynamic, and the Council is committed to improving governance on a continuing basis through a process of evaluation and review.

Core principles:

- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B. Ensuring openness and comprehensive stakeholder engagement

Supporting principles:

- C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
- D. Determining the interventions necessary to optimise the achievement of the intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F. Managing risks and performance through robust internal control and strong public financial management
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

Assessment Process and Summary

9. The AGS summarises the assessment of governance against the Governance Framework and comprises three elements:
- Statements from Senior Management, the Audit Manager and the Governance and Audit Committee (the 'Audit Committee' was renamed 'Governance and Audit Committee' following the financial year-end in accordance with the provisions of the Local Government and Elections (Wales) Act 2021. Its opinion was provided following the financial year-end)
 - Supporting analysis mapped to the core and supporting good governance principles that provides a judgement that is based on supporting information and evidence
 - A Senior Management judgement of the Council's significant governance issues
10. These three elements when taken together represent the assessment of governance, through the perspectives of the Senior Management Team (SMT) and the independent opinions of the Internal Audit Manager and the Governance and

Audit Committee based on their respective programmes of work and an assessment of the system of internal control.

11. For further information and detail, supporting information is mapped to the Governance Framework principles (A-G) within the AGS, and followed by an open disclosure from the SMT of the significant governance issues affecting the organisation as summary actions to take forward and address.

The diagram in fig. 1 sets out the components of this assessment.

Fig.1



Assurance Statements

12. The following statements are made at the year-end, having given consideration to the performance information, governance disclosures and audit and regulatory report findings from assessors both internal and external to the Council.

Senior Management Statement

13. The set of senior management assurance statements are used as a core measurement of assurance on good governance within each Directorate and for the Council overall.
14. As a Senior Management Team, we have undertaken a review of the self-assessment exercise to maintain assurance that the areas of consideration remain the right areas upon which to judge the organisation and to address the identified actions arising from last year's AGS relating to compliance, risk, performance reviews and Five ways of working. This review identified that there was a need to

change the focus of some statements to effectively capture the emphasis of partnership working and engagement and equalities within the assurance process. Over the year, the nine broad categories for consideration are: Risk; Partnership Working; Engagement and Equalities; Compliance; Project initiation; Budget; Planning & Performance; Control and Fraud.

15. We continue to apply the self-assessment exercise as a primary means of measuring our delivery of good governance and this has been supplemented this year by each Directorate having an action plan which identifies the key areas of improvement. There continue to be challenge sessions chaired by the Chief Executive through which consideration is given to the current assurance position for each Directorate.
16. Our good governance assessment exercise has been undertaken during a period of economic uncertainty and significant spikes in both demand for our services, not least in Social Care and Education, and inflationary increases in both pay and in particular the energy, food and building sectors. We, as a Senior Management Team, continue to ensure that the self-assessment exercise reflects the current reality of service delivery so that any matters or improvement actions are captured.
17. The Senior Management Team has continued to meet on average on a twice weekly basis. The focus of these meetings throughout the year has been to ensure that resources are used appropriately, outcomes delivered, and controls remain in place or are amended to reflect the environment of the time.
18. The Senior Management Team has engaged with the self-assessment assurance process for 2023/24. The Senior Management Team took the opportunity to review the 2023/24 half yearly and end of year position and considered the body of work delivered over the last six months in the context of the uncertain economic environment.
19. The Senior Management Team considers that the 2023/24 end of year Senior Management Assurance Statement offers a true and fair reflection of the governance maturity of the Council for the year overall. This end of year assessment was based on the governance maturity which we could evidence within each Directorate against the half year position, the performance against individual Directorate action plans and identifying any change in position.
20. Accordingly, the Senior Management Team considers that despite the challenging external environment the Council is approaching strong application of good governance across the assurance areas, with examples of embedded and limited in some assurance areas in some Directorates. This assessment was based on a self-assessment using a 5-point rating system ranging from 'not in place', 'limited application', 'mixed application', 'strong application' to 'embedded'.
21. This assessment has highlighted opportunities to further build on the SMT Actions set out in last year's Annual Governance Statement. We recognise improvements have been made in the way we work but we believe there is further need to focus on the application of Equality Impact Assessments. We also believe that arrangements for consultation and engagement undertaken with stakeholders need to be enhanced so that it remains time appropriate where it is identified

through the Equalities Impact Assessment. We also recognise that whilst there have been indications of an enhancement of the level of performance reviews across all directorates that there remains the need to provide that full evidence before the action can be considered closed.

22. In addition, to the two new improvement actions suggested, it is proposed that a further action is added to undertake a robust assessment on subsidiaries held by the Council. The Senior Management Team recognises the challenges of increased pressure on costs to services which have had either pointed increases or changes in the level of demand. This level of uncertainty challenges all to ensure that a robust level of assurance is maintained and enhanced where it is identified to be needed to continue to show strong application across all areas going forward.
23. In relation to the work of the Senior Management Team in 2023/24 we continued to collectively own the Corporate Risk Register, we reviewed all corporate risks quarterly, and monitored progress against the action plan of significant governance issues.
24. The Chief Executive continues to emphasise that areas of weakness need to be addressed. As noted, the last couple of years have presented great challenge and uncertainty and this will continue for the forthcoming period, thus underlying the importance of maintaining the achievement of consistent standards of governance and control across all directorates.

Audit Manager Statement and Annual Opinion 2023/24 (PSIAS Standard 2450)

25. The Public Sector Internal Audit Standards (PSIAS) state that the 'Chief Audit Executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.' This must be based upon an objective assessment of the framework of governance, risk management and control. It must also include an evaluation of the adequacy and effectiveness of controls in responding to risks within the governance, operations, and information systems.
26. This opinion has been prepared by the Audit Manager (Chief Audit Executive for the purpose of the PSIAS), based on the provisions of the PSIAS. In preparing and forming this opinion, a number of sources of information, assurance and insight have been taken into account, including:
27. **Assurance Audit Engagements** – The risk-based annual audit plan has been delivered through an approach to maximise assurance and added value. The audit plan is responsive to risk and informed by audit information and existing assurances, information from Senior Management, monitoring of Council activity, strategy, risks, and wider assurance sources. For all audits, current risks, pressures and priorities continue to inform the audit scope and testing.

28. **Advisory Audit Engagements** - The Internal Audit Team provides insight and guidance on areas of control during process development / change and in wider areas where support as required, generally at the request of management. Notable advisory work in 2023/24 related to 'the implementation of new weighbridge software and associated controls', 'schools' education technology procurement' and 'schools' catering controls'. In each of these areas of review there were known control issues, and detailed reports, advice and recommendations were provided to management to provide a pathway to implement the necessary improvements. Whilst audit opinions are not formally provided on advisory audits, the operation of controls is properly examined and reflected on when providing the overall opinion on the Council's control environment.
29. **Discussion with Senior Managers** – There have been quarterly relationship manager meetings with Directors or their representatives, regular Audit Manager attendance at Senior Management Team meetings, and regular meetings with the Chief Executive and Corporate Director Resources (Section 151 Officer).
30. **Risk & Governance Reviews** – Risk Registers and Senior Management Assurance Statements which underpin the Council's Annual Governance Statement are subject to audit review, and assurance audit engagements.
31. Based on the programme of audit work undertaken to assess the framework and application of governance, risk management and control, the annual opinion for 2023/24 is **effective with opportunity for improvement**. This opinion is based on the delivery of a sufficient Audit Plan, and with an acknowledgment of the significant pressure on Council resources in both demand and budgets, which has been managed through a resilient performance culture.
32. The audit opinion comprises assessments of governance, risk management and control, and includes an evaluation of the adequacy and effectiveness of controls in responding to risks within the governance, operations and information systems. The majority of planned fundamental system reviews have been completed. There has been sufficient coverage of planned corporate governance audit areas during the year, supported by a spread of directorate-level assurance audit engagements. Corporate risk management arrangements have been maintained during the year, and directorate risk management is considered across audits completed, for which it is considered that there is an appropriate level of risk management maturity in operation at directorate levels.

33. The control environment for core financial systems was sufficient, and the majority of audits overall (88%) were allocated an opinion of 'effective' or 'effective with opportunity for improvement'. Excluding audits undertaken in 2022/23 but finalised in 2023/24, four audits have been given an audit opinion of 'insufficient with major improvement needed' recognising the need for attention to achieve sound controls, and one audit (in respect of the Falconwood Children's Home) was given an 'unsatisfactory' opinion.
34. The importance of getting the basics right, around internal controls and performance management, at a time of financial and demand pressures, has recently been underlined to managers across the Council. This echoes the messages of the Auditor General for Wales in a recent Audit Wales report on the subject, is fully supported by Internal Audit, and will continue to be a key theme in Senior Management communications.
35. Audit assurance and support continues to target and follow up on high-risk areas. Focus is being given to finalising audits on a timely basis with audit clients and to the importance of the implementation of audit recommendations within the required timescales.

Governance and Audit Committee Statement 2023/24

Opinion of the Committee for 2023/24

36. Based on the evidence presented to the Governance and Audit Committee during 2023/24, it is the considered view of the Governance and Audit Committee that the Council does have, for the most part, sound internal controls and governance arrangements in place. Strategic risks representing the true challenges facing the Council are captured and reviewed on a regular basis. Examples of where the Committee continues to have concerns, which will be incorporated into the Committee's Work Programme for 2023/24, include:

Budget Management

37. The Committee recognises the sustained financial pressure that the Council is under and notes that whilst the overall financial position was balanced, some particular directorates had significant overspends for which control improvements are needed. Management attention and actions are required in directorates to achieve budget savings proposals put forward. Sound budget management is essential in the context of a challenging economic environment, continued constrained finances and an ever-increasing demand for services.

38. The financial challenge continues to be significant with a projected base budget gap over the next 4 years of £142 million. We have also been apprised of the on-going and planned work to deliver the budget strategy for 2024/25 and the steps to address the financial challenge for 2025/26 and beyond. During a challenging financial landscape, we continue to seek assurances on the Council's financial resilience and the management of Council finances through our engagement with the Section 151 Officer, and the senior officers that we regularly invite to Committee. The Committee will carefully consider budget management arrangements over the year to come, through observing the use of appropriate management controls and interventions and continuing to reinforce expectations for delivery.

Internal Control

39. Assurance on compliance and control is essential. For a number of years there have been continued constraints on resources, together with a growing population and greater demand for public services. As the Council faces significant challenges in how it delivers services, it remains essential that internal controls are not neglected or impaired and that strong controls operate throughout reformed processes and systems.
40. The Committee has invited senior officers to attend its meetings this year to account for their delivery of good governance, risk management and control. In addition, the Committee has continued to receive the details of all Internal Audits completed and the respective assurance ratings. This year we have observed isolated internal control gaps through reports of insufficient assurance, one unsatisfactory audit opinion and issues arising from advisory audit reviews for which an audit opinion is not provided but required improvements are reported to us. Management must maintain sound systems of internal control and promptly address identified weaknesses.
41. We have maintained close interest on the robustness of controls in relation to the Waste Management function. In recent years, a large-scale internal investigation into allegations of fraud was completed and associated disciplinary actions were completed. An associated Police investigation has since concluded, in November 2023 five individuals (four former council workers and a third party) were convicted of Bribery Act offences. A post-trial review, by the Section 151 Officer has commenced, to consider the effectiveness of the Council's response and to seek assurance on the effectiveness of the counter-fraud control environment. We will consider the report and its findings, and we will monitor the delivery of any required actions arising from the report.

42. The Committee has access to all Internal Audit recommendations raised and agreed, and visibility of updated management comments until the point of implementation. Whilst the Committee has an overall assurance of internal control, we continue to require officers to account for services or functions where internal control weaknesses have been identified. We continue to challenge any impairment in stewardship and control of public funds and assets, seeking prompt and proportionate management actions. The Committee has considered and approved the Internal Audit Plan for 2024/25 and will closely monitor its progress and findings over the year ahead.

Financial Resilience (including Treasury Management)

43. In a position of constrained finances, the Committee will continue its consideration of the framework for financial decisions. The Committee has received regular updates on financial resilience and, in recent years has welcomed the independent assurance of the Council Treasury Management activities, by the Council's Treasury Management advisors, further to the regular assurance provided by Internal Audit.
44. The Governance and Audit Committee will continue to look to gain assurance of sound treasury management practices and strategy. This is vital work, which will both safeguard and deliver best value from the Council's borrowing and investments. The Committee has and will continue to seek assurance that the levels and profiles of investments and borrowing are appropriate and in line with the Treasury Management Practices, Strategy and Reports presented.

Schools Governance

45. The Committee has sought regular reports from senior management in the Education and Lifelong Learning directorate seeking on-going assurance on the arrangements to manage school balances and to address audit recommendations. Our Committee has raised concerns over delays in implementing school audit recommendations and is keen to see improvements.
46. Our Committee has noted positive improvements made, as recognised by Estyn, and we will continue to keep a keen interest in the governance arrangements and assurance we receive in respect of schools. This is with the understanding that the Governance and Audit Committee can request the attendance of those

directly responsible for governance at an individual school level, to a Committee meeting, in the event that assurances are not considered sufficient.

47. The Committee acknowledges that the Council is not able to set rules for schools to adhere to regarding contracting matters, albeit advice can be offered on good practice. This area of interest remains a priority of the Committee and we continue to support the production and use of best practice guidance in schools to strengthen financial stewardship and control.

ii) Governance Framework - Supporting Information

A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.

48. All Members and Officers in the Council are required to comply fully with Codes of Conduct as set out in the Constitution, which sets out the particular roles and responsibilities of Officers and Members and provides clarity on the interfaces between these roles. These include:
 - Functions and subsections delegated to Officers.
 - Members' Code of Conduct (Including Social Media Principles)
 - Employees' Code of Conduct
 - Protocol on Member / Officer Relations
 - Cardiff Undertaking – signed by all Members upon election and underlines their duties to the city and its citizens.
49. The Director of Governance and Legal Services is the Monitoring Officer and has the specific duty to ensure that the Council, its Officers, and its Elected Councillors, maintain the highest standards of conduct in all they do based on Section 5 of the Local Government and Housing Act 1989, as amended by Schedule 5 paragraph 24 of the Local Government Act 2000. During 2023/24 the Director of Governance and Legal Services tendered their resignation and left the Council on 27 October 2023. As agreed at Council on 26 October 2023, interim arrangements were put in place for both the Council and the Cardiff Capital City Region and continued for the rest of the year.
50. The Standards and Ethics Committee has a responsibility to monitor and scrutinise the ethical standards of the Authority, its Members, employees and any associated providers of the Authority's services, and to report to the Council on any matters of concern. The Committee is chaired by an independent person and its role includes determining the outcome of complaints against Councillors and Co-opted Members and monitoring the Council's whistleblowing procedures.
51. In 2023/24, the Monitoring Officer was notified of a total of nine complaints relating to Member conduct six of which were Cardiff Councillors and three relating to Community Councillors. The Public Services Ombudsman has considered seven

of the complaints and determined in three cases that there was no evidence of a breach of conduct and in the other four cases declined to investigate. The remaining two complaints were considered by the Monitoring Officer in consultation with the Chair of the Committee determined insufficient evidence of a breach to warrant an investigation.

52. The Standards and Ethics Committee considered the Committee's draft Annual Report 2023/24 on 16 July 2024 and outlined the work of the Committee. The Annual Report is scheduled to be presented to Council on the 26 September 2024. The report identified actions in respect to considering the review of the Cardiff Undertaking in order to ensure it remained fit for purpose, clarifying the expectation of mandatory member training, responding to consultations on ethical standards and taking actions on complaints. In addition, the Committee has received periodic updates in respect to Personal interests for both Members and Senior Officers. The review of the Whistleblowing Policy that had originally been planned to be completed previously is now scheduled for completion in 2024/25.
53. Members and Co-opted Members are required to register their personal interests in any business of the authority, and to comply with the rules on personal interests set out in the Members' Code of Conduct. All personal interests disclosed by Members are published on the Council's website within the Member's profile information. The Council's Policy on Officers' Personal Interests & Secondary Employment requires all staff to disclose any personal interest which actually or potentially conflicts with their duties to the Council and all secondary employment. The policy sets out how all Council employees are obliged, under the Employees' Code of Conduct, to ensure that their private interests do not conflict with their public duties, and to comply with the Council's rules on the registration and declaration of financial and non-financial interests.
54. The Council's Corporate Values focus on fairness, openness and working together. The Council supports a culture of behaviour based on these values which guide how the long-term vision of the Council is put into effect, as well as how Members and Officers deliver their day-to-day roles. Corporate and Directorate planning and personal performance and development arrangements are aligned to delivering corporate values and priorities.
55. The Workforce Strategy and Employee Charter continues to ensure that there is alignment between the Council's vision and values and the Corporate Plan:
 - The Employee Charter sets out the expectations of all staff (employees, managers, and senior managers) and has formed part of the objective setting process for personal reviews.
 - The Workforce Strategy seeks to deliver outcomes for and with employees, within a culture that supports a flexible, skilled, engaged, and diverse workforce.
56. The Council takes fraud, corruption, and maladministration very seriously, supported by the following strategy and policies to prevent and manage such occurrences:

- Counter-Fraud and Corruption Strategy
- Financial Procedure Rules
- Contract Standing Order and Procurement Rules
- Whistleblowing Policy
- Fraud, Bribery and Corruption Policy
- Anti-Money Laundering Policy
- ICT Security Policy
- Data Protection Policy & Procedure
- HR policies regarding investigation and discipline of staff

57. The Counter-Fraud and Corruption Strategy was refreshed and approved by the Cabinet on 14 December 2023. In conjunction with the Strategy a new mandatory training module has been issued to all staff for completion during 2024/25. The Council continues to be supported by a range of policies, procedures and regulations which are reviewed for appropriateness, including those relating to Financial Control, Data Protection, Health & Safety, Equalities, and IT Security.
58. The Council has a Whistleblowing Policy in place through which staff and contractors are encouraged to speak out on misconduct or illegal behaviour within the organisation, which affects the public or other people (making a disclosure in the public interest). In 2023/24 a total of four whistleblowing cases have been reported to the Monitoring Officer.
59. The Corporate Director Resources has both overall responsibility for the financial administration (S151 Officer) and the information governance arrangements of the Council (SIRO). The Council's financial management arrangements conform to the governance requirements of the Role of the Chief Financial Officer in Local Government which is set out in the CIPFA Financial Management Code (2020).
60. The Council continues to consider its financial management against the CIPFA Financial Management Code (the Code). The focus of the Code is to improve the financial resilience of organisations by embedding enhanced standards of financial management. The financial resilience of this Council and other local authorities continued to be tested in 2023/24 and 2024/25. The Code is intended to support good practice in financial management and translates principles of good financial management into a series of standards against which Local Authorities should measure themselves.
61. Building on previous assessments undertaken, a further exercise was conducted during 2023/24 against the FM code and the results presented to the Section 151 Officer to identify opportunities for improvement. Considering the significant financial uncertainty facing the Council, the Section 151 Officer agreed that the self-assessment needed to retain focus on Financial resilience through evidenced spending plans underpinned by robust funding strategies, a tolling exercise which continued to revise and review cost and funding assumptions for the Financial Medium Term and maintain focus on service area budget spend with the need to find increased level of budget savings to be delivered. In addition, an Income Generation Framework was produced and used during 2023/ 24 to inform the

62. The requirements of the Code and the need for evidence has been a major consideration in the development of the Council's key financial strategies such as the Medium-Term Financial Plan, Capital Strategy, the Treasury Management Strategy and The Housing Revenue Account Business Plan.

B. Ensuring openness and comprehensive stakeholder engagement.

63. Through its Corporate Values, the Council outlines a commitment to being "open and honest about the difficult choices we face and allowing people to have their say on what's important to them and their communities." Consultation, engagement, and joint working with citizens are central to delivering this value and are outlined as follows.
64. Meetings have remained open to the public to attend except where confidential or exempt information is being discussed, as defined by the law. Full Council meetings continued to include a facility for public questions, and the Council's Scrutiny Committees have invited stakeholder contributions to their scrutiny programme, both through research and consultation exercises and through direct access to Committees.
65. The Council has an approved Multi-location Meetings policy which exceeds the legislative requirement to broadcast Council meetings and identified additional committee meetings of public interest or those with a governance role to be webcast. These meetings included Council, Cabinet, Planning Committee, Governance and Audit Committee, Standards and Ethics Committee and Scrutiny Committees with other meetings being recorded and kept for reference.
66. The following table highlights the activity of webcasting through the last three years. The number of meetings webcast saw a slight increase in 2023/24 compared to 2022/23 but the number of total views saw a 10% decrease.
- 67.

Webcasting Data			
Year	2021/22	2022/23	2023/24
Number of Meetings webcast	155	88	94
Number of Committees (Types) webcast	19	14	11
Total Hours Webcast	269:39:22	177:55:44	179:32:50
Live views	3965	4871	4499
Archive Views	13644	13287	11939

Total Views	17609	18158	16438
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68. There has been open debate and challenge on performance and risk management with quarterly reporting and review in SMT and further challenge and oversight in Cabinet, Scrutiny and Governance & Audit Committee meetings. An assurance role continues within the SMT environment where the Chief Executive and Directors discuss aspects of assurance, for example corporate safeguarding and parenting, procurement compliance, performance management, (internal and external) audit recommendation progress. This continues to highlight the connections between these assurance pieces and create a more joined up version of the assurance picture.
69. The public and other stakeholders are given the opportunity to tell the Council what they think about the services provided through the Council's Comments, Complaints and Compliments Policy. It reflects guidance given in the Welsh Government Model Policy and Guidance Paper for Handling Complaints, as well as guidance received from the Public Service Ombudsman for Wales and places a greater emphasis on a prompt resolution of complaints. Cabinet is informed annually of the number of complaints received.
70. Citizens, communities, and partners continue to be engaged through a programme of citizen engagement, such as the budget consultation and the Ask Cardiff survey which seek opinions on a range of Quality of Life and Quality of Services statements. The output of these is used to inform proposals and decisions of priorities and planning for the provision of services. Room for improvement has been identified by ensuring that consultation and engagement is undertaken with all stakeholders at the appropriate time, where it is identified through Equalities Impact assessment so that all groups identified as being impacted are given opportunity to have a voice. In addition, it is also recognised that arrangements need to be strengthened to ensure the systematic completion of Equality Impact Assessments and having due regard to them during the decision making process.
71. Regular meetings are held with institutional stakeholders to whom the Council is accountable, which include the Welsh Government and the Council's External Auditors (Audit Wales). Efforts have also been made to foster open and effective relationships between the County Council and the six Community Councils in Cardiff through a Community Councils Charter ("the Charter"). It reflects the model Charter issued by the Welsh Government in the Local Government (Wales) Measure 2011 and is based on equality of partnership between the two tiers of local government.
72. The Cardiff Public Services Board (PSB) represents a statutory partnership of public and voluntary sector organisations, chaired by the Leader of the Council to deliver the city's Well-being Plan. The Well-being Plan, which responds to the evidence from the Well-being Assessment, focusses on the areas of public service delivery which fundamentally require partnership working between public service organisations. Cardiff PSB is supported by partnership governance and delivery arrangements, reporting by exception into the PSB on a quarterly basis. The Cardiff PSB met four times during 2023/24 and leads a co-ordinated strategic response to

critical issues across the city's public services. The Council approved the Cardiff Local Wellbeing plan 2023/28 on 23 March 2023. Contained within the Well Being Plan is an appendix B which sets out for each PSB Member their respective strategic plans thus highlighting the Well Being Plan as a complementary document.

73. The PSB sets out the priorities for partnership working, involving two or more public service organisations, in the PSB Wellbeing Plan. The PSB Wellbeing Plan is structured around the same 7 well-being objectives as the Council's Corporate Plan to ensure alignment of activity towards shared priorities.

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

74. The administration set out its aspirations for the city in its policy statement "Stronger, Fairer, Greener".

- **A stronger city**, with an economy creating and sustaining well-paid jobs, with an education system that helps our young people reach their potential, with good, affordable housing in safe, confident, and empowered communities, all supported by well-resourced, efficient public services.
- **A fairer city**, where the opportunities of living in Cardiff can be enjoyed by everyone, whatever their background, where those suffering the effects of poverty are protected and supported, where a fair day's work receives a fair day's pay, and where every citizen is valued and feels valued.
- **A greener city** which, through our One Planet programme, takes a lead on responding to the climate emergency, which celebrates and nurtures biodiversity, with high-quality open spaces within easy reach for rest and play that are connected by convenient, accessible, safe sustainable transport options.

75. Where 'Stronger, Fairer, Greener' provided a clear articulation of the administration's policy priorities, the Council's policy framework translates these into organisational objectives with associated delivery milestones, key performance indicators and the necessary resources to ensure progress.

76. The Corporate Plan, therefore, plays a key role in translating the administration's policy ambitions into deliverable organisational objectives. In this way, the Corporate Plan sets out what the Council wants to achieve and how it will organise itself to achieve it. In accordance with the requirements of the Well-being of Future Generations (Wales) Act 2015, the Corporate Plan is framed by Well-being Objectives, Steps and performance measures. The Corporate Plan is set at a strategic level and is supported by directorate delivery plans which, in turn, set out in greater detail how Corporate Plan objectives will be delivered, as well as how directorate business will be taken forward.

77. The Planning and Performance Framework is central to the Council's corporate governance arrangements. The Framework sets out how the Council identifies

and agrees what it wants to achieve, how it measures and reports progress and, where necessary, how it identifies and agrees actions to improve performance. There are, therefore, three distinct components to the Council's Planning and Performance Framework:

- Identifying and agreeing what the Council wants to achieve: This is to ensure that there is a clear view of what success looks like across the organisation and with relevant partners, supported by realistic plans and budgets and with clear accountabilities, performance metrics and targets.
- Measuring and reporting progress: This is to ensure that performance reporting is timely, integrated, and contains appropriate details drawn from a range of performance sources. It also allows performance reports to be developed through a process of self-assessment. The performance reports inform robust performance dialogues involving the Council's senior political and managerial leadership, and its wider political governance, in line with . The Council's approach further ensures that its performance monitoring is fact-based and data-driven with performance assessment subject to challenge and support.
- Identifying and agreeing actions to improve performance: This is to ensure that performance discussions are improvement-focused, action-orientated, and that these actions are tracked as part of the Council's performance framework.

78. The development of the Annual Well-being Report, in effect the Council's self-assessment of performance, involves the political and managerial leadership of the Council, with enhanced roles for both Scrutiny and the Governance & Audit Committee. This will include:

- Directorate self-evaluation of service performance, governance & financial challenges, and priorities.
- Performance and budget assurance sessions with each Director that are convened by the Chief Executive and Section 151 Officer to consider findings of directorate self-assessment.
- Progress and performance session with Cabinet and the Council's Senior Management Team.
- The Performance Panel, convened by the Chair of the Policy Review and Performance (PRAP) Scrutiny Committee, and involving the Chairs of each of the Council's Scrutiny Committees
- Consideration by both the PRAP Scrutiny Committee and the Governance & Audit Committee
- Consideration of the End-of-Year Assessment (the Annual Well-being Report) by Council.

79. A Mid-Year 2023/24 Self-Assessment was considered by Cabinet on 14 December 2023, following engagement with the PRAP Scrutiny Committee. The report set out challenges in respective areas; Sustained increase in the scale and complexity of demand across Council services such as demand challenges arising in Children's Services, Education, Adult social care and demand for temporary housing. In addition, pressure on ensuring continued financial resilience, pressures on the

organisation in respect to workforce, and responding to new risks and issues such as RAAC concrete, industrial action, community disorder in Ely and pressures in the asylum system.

80. An end of Year Self-Assessment of Performance (Wellbeing Report) for the previous financial year is to be considered by Cabinet on 19 September 2024 and Council on 26 September. In line with the Council's approach, the Wellbeing Report will be considered by the Council Policy Review and Performance Scrutiny Committee and Governance and Audit Committee as part of this process, as set out in paragraph 78.
81. Thematic Challenge Sessions are convened by Well-being Objective each January/February. The challenge sessions are chaired by the Leader and Cabinet Member for Finance, Modernisation and Performance and involve the lead Cabinet portfolio holders, Chief Executive, and relevant Directors. The challenge sessions consider progress and challenges in relation to each of the Well-being Objectives within the Corporate Plan, and provide an opportunity to consider priorities, steps, Key Performance Indicators, and targets for the year ahead.
82. The approach also allows for engagement with the Performance Panel each January/February. The Performance Panel allows the Chairperson of each Scrutiny Committee, to:
 - i. Consider the Mid-Year Assessment and make recommendations for improvement as well as strategic policy suggestions for consideration as part of Corporate Plan development.
 - ii. Corporate Plan development: with a focus on the priorities, steps, Key Performance Indicators, and targets proposed for inclusion within the revised Corporate Plan.
83. The Corporate Plan is part of the Council's Policy Framework and this, as set out in the Constitution of the Council, ensures that the Corporate Plan is formally subject to consideration by all elected members. Engagement occurred throughout February 2024 with all Scrutiny Committees including PRAP Scrutiny Committee as part of pre-decision scrutiny of the Corporate Plan. Formal consideration by Cabinet and Council concluded on 7 March 2024.
84. The Corporate Plan is developed alongside the Council's Budget, thereby ensuring that the Council's resources are aligned behind the delivery of its policy priorities. The Corporate Plan and Budget are approved alongside one another by Council in February / March of each financial year. Both the Council Budget and Corporate Plan were approved on 7 March 2024
85. The financial uncertainty over the last couple of years has led to delays in Budget Settlement from Welsh Government and this continued for both the budget setting process of 2023/24 and 2024/25. The Council's 2023/24 budget proposals ran from 23 December 2022 to 29 January 2023, whilst the budget consultation for 2024/25 budget proposals ran from 8 January 2024 to 4 February 2024. As outlined under principle B of this AGS, ensuring openness and comprehensive engagement,

several mechanisms were used to ensure the consultation was as accessible as possible, but improvements are required in the number of engagements achieved. The consultation enabled members of the public to communicate their views on the budget proposals. It informed the final decisions on service changes, which focussed on delivering valued public services in the face of ongoing austerity.

86. Building on the approach to the Council's Budget Strategy over the last few years is key to planning for future years. The Council Budget report of 9 March 2023 identified for 2023/24 a medium-term financial plan gap of £113.4 million gap for the period 2024/25 to 2027/28. The outlook over the short term is particularly challenging but with signs that the medium to long term will become significantly harder. These pressures are due to the challenge of managing the increase in demand for services, rising cost pressures and recovering lost income levels in other areas such as cultural venues and school catering. Later in the year, Cabinet considered a Budget Strategy refresh both on 13 July 2023 and 8 January 2024, both of which outlined the unabated financial pressure on the Medium Term.
87. Delivering the 'Stronger, Fairer, Greener' policy agenda will also require coordinated action by the Council and its partners. The Cardiff PSB, chaired by the Leader of the Council, brings together the city's public and third sector leaders, and builds on the long-established platform of partnership working in the city. The Well-being of Future Generations Act has placed in statute the role of PSBs and requires PSBs to publish an assessment of local well-being, a local well-being plan and annual progress reports.

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

88. As in previous years, it continues to be the case that all Cabinet and Council decisions taken by Members are supported by authored reports from Officers on the legal, HR, property and financial implications arising from the decision. These reports are also required to outline the economic, social, and environmental outcomes, member consultations, the key risks and alternative courses of action which are available.
89. To meet requirements of the Well-being of Future Generations (Wales) Act 2015, the Council has published well-being objectives and a well-being statement as part of the development of the Corporate Plan. The Corporate Plan does ensure ongoing consideration of the sustainable development principle with a focus placed on considering the five ways of working at the earliest stage of policy development. Policy development across the organisation is encouraged to consider:
- **Long term:** Defined as the trends that affect Cardiff both today and in the future.
 - **Prevention:** Intervening earlier to prevent problems affecting citizens from occurring or worsening.
 - **Involvement:** Engaging with citizens, particularly the most vulnerable in society.
 - **Integration:** Working across boundaries to deliver the administration's policy agenda for the city.

- **Collaboration:** Working with others to have a greater impact.

90. The Council uses several sources of information to self-assess progress against Well-Being Objectives, including:

- **Progress against the Council's Key Performance Measures** – Several performance measures are identified within the Council's Corporate Plan which help show the progress made in delivering the Well-Being Objectives. Where applicable, targets are set against these performance measures to demonstrate the desired level of achievement. Performance measures are assigned a RAG status: GREEN where the measure is on or above target, AMBER where the result is within 10% of the target and RED where the result is greater than 10% from the target.
- **Progress against the Steps in each Well-being Objective** – The Council included a number of Steps in the Corporate Plan to help achieve the Well-Being Objectives. Monitoring the progress of these Steps provides an understanding of what has been achieved and where further work is required.
- **Inspection Reports** – The Council is subject to inspections from regulatory bodies including Audit Wales, Estyn (Education) and the Care and Social Services Inspectorate Wales (CSSIW). Their findings help the Council to assess areas of strong performance, as well as identifying areas that require improvement.
- **Surveys and Citizen Feedback** – The annual Ask Cardiff survey, as well as more specific consultation and engagement work, provide residents an opportunity to share their views on a wide range of the Council's services.
- **Finance Monitoring** – The Council's Outturn Report and Budget Monitoring Reports are considered by Cabinet and full Council throughout the financial year.
- **Feedback from Scrutiny Committee and the Governance and Audit Committee** – The Council responds to the issues raised and recommendations made by Committees, which help inform performance improvement.
- **Risk** – The Council's Corporate and Directorate Risks are considered as part of a rounded view of performance.

91. By using this information, the Council monitors progress but also identifies areas of improvement, celebrates success, and identifies areas where performance may not have been as good, and therefore the areas that may require further attention.

92. The Council also has in place a robust performance and accountability regime which involves the wider political governance of the Council. In developing the self-assessment of performance, the following steps have been undertaken to ensure a full and balanced assessment:

- Directorate Analysis of Performance
- Assurance Sessions convened by the Chief Executive with each Director.
- Assurance Sessions, convened by Cabinet, with the Chief Executive and the Council's Senior Management Team

- Performance Panel Review, convened by the Chair of the PRAP Scrutiny Committee, and involving the Chair of each of the Council's Scrutiny Committees.
 - Consideration by the PRAP Scrutiny Committee
93. Communication to staff remained a key focus and to ensure staff were consulted and involved in decision making. Various channels of communication were used including the Chief Executive's Update, Core Brief, Staff Information messages, the Staff App, and DigiGov (the Council's HR system).
94. The engagement of citizens has continued to be an important means of identifying and designing services to meet the needs and expectations of service users and citizens in Cardiff in the context of budgetary constraints. Improvements have been identified and put in place to ensure that impact assessments are put in place to ensure that all groups are engaged when considering service change or budget proposals. To support project-based decision making, the Council continues to have in place a Business Case template using the Office of Government Commerce (OGC) "Five Case Model" but with a focus in ensuring that the process does not become overly bureaucratic and remains a value-added activity in delivering assurance on risks and opportunities. The Capital Programme development process requires a robust full Business Case to be allowed for consideration in the following year budget determination.
95. The Council's Budget Strategy is based on an incremental budgeting approach where budgets are informed to a greater extent by corporate priorities and the required future shape of the organisation. The themes for savings in the Budget Strategy for 2023/24 were categorised as Efficiencies, Service Change and Income Generation and were a reflection of the challenging financial climate with inflationary costs and demand pressures exceeding funding increase changes. The 2023/24 budget monitoring reports have detailed a reduction in performance of savings being delivered compared to that of 2022/23 and this has been an area of focus looking forward notwithstanding the challenge of balancing delivery of services within a further constrained financial climate.
96. In respect to Council subsidiaries, during 2023/24 this work has progressed and covered three broad areas in respect to subsidiaries through a high-level review of governance approach. A high-level comparison of identified best practice for subsidiaries and the shareholder was undertaken and set out some initial recommendations that the authority could consider, for existing and future subsidiaries, where there are identified gaps in governance and reporting. A subsidiary questionnaire has been developed as a result of this work undertaken with the next step being for relevant directorates to complete it as part of their assurance work going forward. This has been added to the AGS Action Plan for 2024/25.

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

97. Decision making responsibilities and authority are clearly set out in the Council's Constitution. It documents the roles and relationships for decision making, between the Full Council, the Cabinet, Scrutiny, and other Non-Executive Committees. It also details decisions delegated to senior officers through the different management tiers.
98. The Cabinet is the part of the Council which is responsible for most major decisions. The Cabinet is made up of the Leader elected by the Council, and up to nine other portfolio Cabinet members whom he/she nominates for approval by the Council. The legislation now provides for Cabinet Members to job share and that continued to be the case for the considered for 2023/24 with two portfolios being shared. The Cabinet must make decisions which are in line with the Council's overall policies and budget. If it wishes to make a decision which is outside the budget or policy framework, this must be referred to the Council to decide.
99. The Statutory roles of the S151 Officer (Finance) and the Monitoring Officer continue to be discharged by the Corporate Director (Resources) and the Director of Governance and Legal Services, respectively. During 2023/24, the Chief Executive was absent for the period of June 2023 to October 2023 and the delegations of this role were split and provided to the Corporate Director of People and Communities and the Corporate Director of Resources.
100. All new Officers undertake the appropriate level of induction which includes a suite of mandatory e-learning training modules. Each mandatory training module has its own target date for full compliance. The mandatory training modules for all staff cover Corporate Safeguarding, Cybersecurity, Data Protection, Fraud Awareness, Introduction to Welsh Language, Violence Against Women and Domestic Violence and Children's Rights. The performance against each modules reported and linked with individual personal reviews. New modules for Cyber Security, Fraud and Data Protection were issued during 2023/24. There remain training modules designated as mandatory for those staff who perform particular roles, and these modules include VAT Awareness, Payment Card Industry and Buying Responsibly.
101. The in-house Cardiff Manager Programme represents a commitment to increasing the learning and development of staff with line management responsibilities. The programme continues to be offered more widely across the Officer body without the requirement to sit a formal ILM level 3 qualification.
102. Officer performance is primarily evaluated through the Council's Personal Review process, which provides a framework for employees and managers to discuss work performance and behaviour, as well as to identify learning and development needs. It enables employees to be clear about their roles, responsibilities and the behaviours expected of them whilst giving a clear understanding of how their job and efforts contribute to the Council's objectives. Member Personal Reviews are also in place to help them update their knowledge and learn new skills, where required, to be more effective in supporting their communities. The Cardiff Council Academy delivers a comprehensive suite of learning and development programmes and courses which can be accessed and delivered remotely.
103. The Council's Workforce Strategy has employee health and well-being as a priority. The Council continues to support the 'Time to Change' Pledge, has been

recognised as a Level 2 Disability Confident Employer with the accreditation having been extended to October 2026, and continued to adhere to the Dying to Work Charter and the Corporate Health Standard Silver Award.

104. The Council has determined that two independent Non-Executive Directors with proven skills in governance and transport services should be co-opted to the Board of Cardiff City Transport Services Ltd. (Cardiff Bus), one of the Council's wholly owned subsidiary companies. With one appointment being made during 2023/24, the remaining vacancy was filled at the beginning of 2024/25 and ratified at Council on 18 July 2024.

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

105. Risk management is an integral part of strategic decision making, forming a key element of business planning, budget proposals, budget strategy, and programme and project considerations. A Corporate Risk Register (CRR) is maintained and reviewed by SMT each quarter to ensure it includes key risks to the corporate vision, objectives, and priorities. A Corporate Risk Map has also been used throughout 2023/24 to provide a transparent representation of the status of corporate risks and to support a proportionate management response.
106. The Risk Management Strategy and Policy continued to be supported by a nominated Member Risk Champion, Senior Officer Risk Champion, and a network of Directorate Risk Champions. This process is designed to ensure clear ownership of risks which are identified, reviewed, and escalated systematically each financial quarter. There has been an increasing trend to highlight target dates for individual risk actions for each area of the CRR and this will look to be extended across all corporate risks in the next year.
107. The Council's five standing Scrutiny Committees are designed to support the Cabinet in providing accessible, efficient, and effective services for citizens. There were 48 Scrutiny Committee meetings held during the municipal year 2023/24 compared to 40 in 2022/23.
108. Scrutiny Committees undertake pre-decision scrutiny, policy monitoring and review and launch in-depth inquiries to help the Cabinet develop and review policies and services. Most recommendations raised to Cabinet following Scrutiny Inquiries are fully accepted. A number of the Council's collaborative activities are governed by Joint Committees which can be identified on the Council's website.
109. The Council has robust arrangements for internal control which are set out within the three assurance statements contained within this AGS from the Audit Manager, Governance and Audit Committee and Senior Management, respectively.
110. There continued to be formal engagement on Health and Safety between appointed Elected Members, Union Representatives, and relevant Council Officers across functions such as Health and Safety, Education, Housing and Property Services. The Health and Safety Forum met quarterly times during the year with

the focus being the consideration of accident and violence at work statistics and Statutory Obligations Contract management of all Council buildings including schools. There were also updates in respect to RACC reporting with specific regard to St David's Hall.

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

111. The Council continues to aim to ensure that all reports for the public and other stakeholders are written in a fair, balanced and understandable way. It remains the case that there is a need to achieve a balance between providing full and complete information to demonstrate clear transparency without being onerous or overly complex.
112. The Council also aims for information to be easy for the Council and the public to find and use. The Council has where practicable looked to publish information in advance rather than await Freedom of Information requests. The Council takes careful consideration of the model publication scheme set out by the Information Commissioner which sets out the classes of information that should be routinely available. The Council acknowledges that it has not fully conformed with the model publication scheme due to practical reasons such as capacity and ease of accessing information. However, the Information Commissioner's Office has recently revised its model publication scheme and the Council is currently reviewing its position against the new expectations and will seek to improve the level of its adherence to the expectations set out in the document.
113. The AGS is an assessment of the governance of the Council applied to the 'Delivering Good Governance in Local Government' CIPFA / SOLACE framework, as outlined in the Assessment Process and Summary. SMT hold an action plan of significant governance issues, representing an open disclosure of the most prominent issues of governance which require attention following the Senior Management Assurance Statement review. Outstanding items from the AGS Action Plans for 2023/24 are included in the following section.
114. Each May (beginning of the Municipal Year), The Council agrees composition of Committees through their size, terms of reference and allocation of seats. During 2023/24 the majority of meetings encompassed hybrid meeting technology. The Council's Constitution was reviewed twice during 2023/24 and set out the terms of reference for each of its committees and the decisions that can be taken by each of those Committees. Council has appointed a number of Committees to discharge regulatory and scrutiny services and they deliver annual reports on their performance and findings.
115. Prior to services being delivered through third parties or via joint working arrangements, the Legal Services Team assist Directorates to ensure responsibilities and accountabilities for governance and risk management are adequately documented. The risk management strategy and policy require clear risk management arrangements in whichever model of service delivery is used.

116. Peer challenges, reviews, and inspections from regulatory bodies are welcomed by Cardiff Council to provide assurance over service delivery or identify opportunities for improvement.

2023/24 AGS Action Plan – Significant Governance Issues

117. An action plan of significant governance issues is owned by SMT and is formally reviewed and updated on a bi-annual basis. The review is supplemented by Challenge sessions for each Directorate chaired by the Chief Executive and accompanied by the Corporate Director of Resources. The two areas considered for 2023/24 were carried forward from the previous year and were considered to be the main areas of focus or governance improvement. The actions and progress to date are set out below.

ACTION: Extend the assurance on the quality of performance reviews through evidence gathering at Directorate level. – Taking forward to 2024/25

SMT have regularly received reports on compliance on Performance Reviews. The Directorate delivery plans continue to be the source of personal and team objectives although it continues to be acknowledged that this is not the case at all levels due to the scope and scale of some Directorates. The quality of Performance Reviews continues to remain an area where further improvements are required to ensure that this is fully embedded throughout individual Directorates.

ACTION - Embed into the Self-Assessment on Assurance the Five Ways of Working in respect to the Well-Being of Future Generations Act. – CLOSED

The Self-Assessment on assurance was amended to include a specific set of questions which covered the Five Ways of Working in respect to the Well-being of Future Generations Act. The Directorates continued to assess themselves against those objectives for the period of 2023/24 and with a particular focus on working together. Whilst the action is considered closed it is proposed that two specific actions are agreed for 2024/25 which is firstly to embed and enhance the use of Equality Impact Assessments across all services and secondly to ensure that consultation is both accessible to all individuals and groups and that it is undertaken at a time appropriate point in the decision making process.

2024/25 AGS Action Plan – Significant Governance Issues

118. Having considered the actions arising from the 2023/24 AGS Action Plan and the overall Annual governance Statement there are three new actions added to the plan with one action carried forward. The 2024/25 AGS Action plan is therefore set out below.
- Extend the assurance on the quality of performance reviews through evidence gathering at Directorate level.
 - Strengthen arrangements to ensure the systematic completion of high-quality Equality Impact Assessments (EIAs) and ensuring due regard for EIAs within the decision-making process.
 - Enhance arrangements to ensure that consultation and engagement is undertaken with relevant stakeholders at the appropriate time, where this is identified through the Equality Impact Assessment process.

- Ensure that all affected directorates undertaken the subsidiary questionnaire and having reflected on the findings update their annual assessment.

Certification by the Leader of the Council and the Chief Executive

Councillor Huw Thomas, Leader of Cardiff Council

Date:

Paul Orders, Chief Executive

Date: