

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET EXECUTIVE

Date 1st August 2023

REPORT AUTHOR: County Councillor James Gibson-Watt, Leader and Portfolio Holder for an Open and Transparent Powys

REPORT TITLE: Annual Self-Assessment Report and Annual Governance Statement

REPORT FOR: Decision and Endorsement

1. Annual Self-Assessment

- 1.1. The purpose of this report is to present the Annual Corporate Self-Assessment report and the Annual Governance Statement (AGS) for approval and endorsement respectively.
- 1.2. The Annual Corporate Self-Assessment report incorporates the annual monitoring of the Council's performance against its Corporate Improvement Plan and Strategic Equality Objectives and provides a holistic view of the organisation in delivering its well-being objectives. It is important to note that this report is a significant strand in demonstrating the requirements of Part 6 of the Local Government and Elections (Wales) Act 2021, but must be read alongside the Annual Governance Statement, which details a view of the organisation's governance based on the seven CIPFA principles of good governance.
- 1.3. The AGS provides an account of the processes, systems, and records that the council has in place to demonstrate the effectiveness of its governance arrangements during the financial year. It is structured around the seven principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework Delivering Good Governance in Local Government (2016 Edition).

2. Background

- 2.1. The LGE (Wales) Act 2021 places an obligation on local authorities in Wales to keep under review the extent to which it is fulfilling the 'performance requirements', meaning that:
 - it is exercising its functions effectively
 - it is using its resources economically, efficiently and effectively
 - the extent to which its governance is effective for securing the above

- 2.2. In addition, Section 90 of the Act outlines Welsh Government's expectation that local authorities will, at least once in every financial period, consult with:
- a) local people
 - b) other persons carrying on a business in the council's area
 - c) the staff of the council
 - d) every trade union which is recognised (within the meaning of the Trade Union and Labour Relations (Consolidation) Act 1992 (c. 52)) by the council.
- 2.3. The statutory guidance provided by Welsh Government defines self-assessment as 'a way of critically, and honestly, reviewing the current position to make decisions on how to secure improvement for the future. Self-assessment is more than stating what arrangements are in place; it is about considering how effective these arrangements are and how they can be improved.'
- 2.4. Existing reporting channels that contain evidence that is aligned with the Self-Assessment Report include, but are not limited to:
- Corporate Improvement Plan/Strategic Equality Plan
 - Annual Performance Report (now superseded by the Self-Assessment Report)
 - Annual Governance Statement
 - Partnership reporting
 - Regulatory and Audit Reports
 - Self-assessments (Quarterly Performance Reports, Integrated Business Plans, Service Improvement Board Reports, Transformation Board Reports)
 - Scrutiny Evaluations
 - Staff engagements
 - Other consultation and engagement forums
 - Compliments and complaints
 - Comparative performance information
- 2.5. Welsh Government guidance for the fulfilment of the requirements of the Self-Assessment Report presupposes that all previous reporting responsibilities are already being fulfilled and that the conclusions contained therein are available to support the drafting of the Self-Assessment report.
- 2.6. The Self-Assessment report therefore presents those conclusions supported by the Council's Performance Self-Assessment 2022-23 and provides an overview of the Authority's end of year analysis of its progress against the key performance objectives (i.e., our Corporate Plan priorities and Strategic Equality Plan priorities). This reporting also fulfils the Authority's obligations under the Wellbeing of Future Generations Act., the Equality Act 2010 and the Wales Measure 2011 (which includes the Socio-Economic Duty), thereby negating the requirement to publish the Powys County Council Annual Performance Report.

2.7. In addition to presenting the Council's performance against its Wellbeing of Future Generations Act objectives, the new legislation requires that the Authority reports its conclusions regarding the validity and effectiveness of its governance processes during the previous financial year. This material is covered by the Annual Governance Statement (AGS), and it was initially hoped that the AGS might be discontinued, and the material integrated within the Self-Assessment Report. Welsh Government has, however, indicated that it wishes the Self-Assessment Report to be a short document (ideally under fifty pages), and this would not allow sufficient space to adequately address the concerns of both documents. The AGS has therefore remained a stand-alone document and is sign-posted by the Self-Assessment Report as providing the underlying evidence that supports the judgements included regarding our governance processes. The AGS is presented here as a separate document that requires the endorsement of the Cabinet.

2.8. The criteria against which the Council's performance is assessed are the well-being objectives as set out in the Corporate Improvement Plan and the Strategic Equality Objectives:

- We will develop a vibrant economy (including equality objectives 1 and 2)
- We will lead the way in providing effective, integrated health and care in a rural environment (including equality objectives 3 and 4)
- We will strengthen learning and skills (including equality objective 5)
- We will support our residents and communities (including equality objective 6)
- Equality Objective 1) By 2024 we will enable people with a disability to have improved opportunities for valued occupation including paid employment.
- Equality Objective 2) By 2024 we will create equality of opportunity for all our staff and take action to close the pay gap.
- Equality Objective 3) By 2024, we will improve the availability of accessible homes, adaptable homes and life-time homes, that provide suitable and sustainable accommodation for future generations.
- Equality Objective 4) By 2024, we help people to get the support they need to prevent homelessness.
- Equality Objective 5) By 2024, we will improve opportunities and outcomes for children living in poverty.
- Equality Objective 6) By 2024, we will improve opportunities for our residents and communities to become more digitally inclusive. This will enable them to easily access the services they need and participate fully in everyday life.

2.9. The CIPFA Principles are used to assess good governance practices in the AGS:

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

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

3. Advice

3.1. The LGE (Wales) Act 2021 Act requires the council to develop and publish a self-assessment report once in every financial period. The report should be made available as soon as reasonably practicable after the financial year to which it relates but it is left to the authority to decide how best that can be achieved.

3.2. The AGS must be published alongside the Statement of Accounts.

4. Resource Implications

4.1. The self-assessment report has been undertaken within existing resources, based upon the Council's current Integrated Business Plans and the Corporate Improvement Plan. Any actions identified for delivery are to be considered by the organisation, and to be embedded within Service's Integrated Business Plans as part of the Council's strategic planning cycle. Additional resource is not being sought to implement these recommendations; it is anticipated that these recommendations will be considered utilising existing resources within the Council.

4.2. The Head of Finance (Section 151 Officer) notes the resource implications above.

4.3. The Annual Governance Statement has been undertaken within existing resources, based upon a range of mechanisms including the Council's current Integrated Business Plans, Corporate Improvement Plan and Medium-Term Financial Strategy. Any actions identified for delivery are to be considered by the organisation, and to be embedded within Service's Integrated Business Plans as part of the Council's strategic planning cycle. Where resources are needed to support future actions, they will be identified as a pressure within the Councils Finance Resource Model.

4.4. The Head of Finance (Section 151 Officer) notes the resource implications above.

5. Legal implications

- 5.1. Legal: the recommendations can be accepted from a legal point of view.
- 5.2. The Head of Legal and Democratic Services (Monitoring Officer) has commented as follows: "I note the legal comment and support the recommendations".

6. Data Protection

- 6.1. Not applicable.

7. Comment from local member(s)

- 7.1. These reports impact with equal force across the whole County, and therefore comments have not been sought from individual Members.

8. Impact Assessment

- 8.1. An Impact Assessment (IA) is not required for this report as the report does not include any formal proposals or policy changes.
- 8.2. All actions within the report will be taken forward by responsible officers as part of the strategic planning process, which will have the relevant Impact Assessments as required as part of this process.

9. Recommendation

- 9.1. **That the Cabinet considers the reports presented here and satisfies itself that the relevant criteria have been met in each case, and if satisfied the Cabinet approve the Self-Assessment report and endorse the Annual Governance Statement.**
- 9.2. Annual Corporate Self-Assessment Report:
 - That the Self-Assessment Report fulfils the Authority's obligations under the Local Government and Elections (Wales) Act 2021.
 - That the conclusions presented in the Self-Assessment Report are considered corporately to be a fair and accurate evaluation of the Authority's performance in 2022-23.
 - That the self-assessment report offers an open, balanced, and realistic picture of the Council's achievements and challenges over the previous year.
 - That the document is clear and provides the right level of information to make it meaningful and relevant to all audiences.
- 9.3. Annual Governance Statement:
 - That the AGS provides a complete and accurate account of the processes, systems, and records that the council has had in place

during 2022-23 and demonstrates the effectiveness of its governance arrangements over that period.

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