



## **CABINET – 1ST OCTOBER 2014**

**SUBJECT: IMPROVING GOVERNANCE PROGRAMME UPDATE**

**REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES AND SECTION 151 OFFICER**

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### **1. PURPOSE OF REPORT**

- 1.1 To inform the Cabinet of progress against the action plan resulting from the Wales Audit Office (WAO) Public Interest Report on the Chief Officers Pay published in March 2013, along with the wider Improving Governance Programme including the action plans resulting from the WAO Public Interest Report on Chief Officers Essential Car Users and Annual Leave Allowance published in December 2013 and the Special Inspection Report published in January 2014 as presented to and approved by Council on 28th January 2014 and Cabinet on 19th February 2014.
- 1.2 To seek approval to hand-over the monitoring of outstanding recommendations and actions from the Improving Government Programme Board (IGPB) to other groups or Committees and, as a consequence of the very recent notification by WAO of a Corporate Governance Inspection (CGI) follow up, approval that the IGPB is maintained for a limited period to ensure that the follow-up CGI is effectively co-ordinated.

### **2. SUMMARY**

- 2.1 Following on from the latest report presented to Cabinet on 18th June 2014, this report provides an end of tranche review on the progress of the Improving Governance Programme and a proposal to handover the limited number of outstanding recommendations/actions to other groups or Committees and maintain the IGPB for further limited time to ensure that the follow up CGI is effectively co-ordinated. This will return corporate governance to a business as usual basis as the Authority continues to ensure that the principles and practices are embedded into the culture of the organisation.

### **3. LINKS TO STRATEGY**

- 3.1 Good governance is a pre-requisite of the activities of any Local Authority. Increasingly, the requirement to not only exhibit good governance but to demonstrate a robust system for self-evaluation will present a far greater challenge.

### **4. THE REPORT**

- 4.1 Following on from the latest report presented to Cabinet on 18th June 2014, this report provides an end of tranche review on the progress of the Improving Governance Programme together with a proposal to close the named programme as such in favour of the monitoring of the small number of outstanding recommendations/actions by other established groups or Committees, subject to the retention of the IGPB for a short further period for the reasons set out in paragraph 4.9 of the Report.

- 4.2 Following on from previous reports to Cabinet and to full Council (ref. Background Papers), Members will be familiar with the WAO documents and relevant action plans and work-streams included in the programme, which are:
- (a) the WAO Public Interest Report March 2013 on Chief Officers Pay with 5 main recommendations and relevant Action Plan, the 5 key areas being
    - Advertisement of meetings
    - Conflicts of interest
    - Procedures for new Committees
    - Records of meetings
    - Clarity and comprehensiveness of Reports to Committees
  - (b) additional areas identified by the authority, the Wider Improving Governance Programme, with 5 work-streams
    - Electronic Council
    - Risk Management
    - Performance Management and Self-evaluation
    - Scrutiny
    - Outstanding WAO Governance Improvements
  - (c) the WAO Public Interest Report December 2013 on Chief Officers Essential Car User and Annual Leave Allowances with 4 main recommendations and relevant Action Plan, the 4 key areas being
    - Records of Decisions
    - Implementing Decisions
    - Statutory Officer Advice
    - Reports
  - (d) the WAO Special Inspection January 2014 with 8 main recommendations and relevant Action Plan, the 8 key areas being
    - Governance and Decision Making Roles
    - Decision Making Documentation
    - Improving Governance Board work continuation
    - Strengthening of Risk Management Processes
    - Whistle-blowing procedures roles and responsibilities
    - Reassessing expectations of Internal Audit and a programme to address findings of the inspection
    - Actions identified to improve the HR function and workforce planning
    - Importance of following appropriate procurement procedures and key procurement performance indicators
- 4.3 The Improving Governance Programme Board has assessed the progress in respect of each recommendation and work-stream. The result of the assessment is detailed in the two tables provided in the Appendices.
- 4.3.1 **Appendix 1** details the Outstanding Recommendations and Actions as of 22/09/2014 alongside a proposal for the monitoring arrangements for each one. This will ensure proper monitoring and reduced duplication of effort as well as an efficient use of resources.
- 4.3.2 **Appendix 2** shows the Completed Actions and addressed recommendations as of 22/09/2014.

4.4 The situation in relation to the progress has been summarised in the *Table 1* below and appropriate comments to the figures are provided in the ensuing paragraphs.

**Table 1 – Improving Governance Programme End of Tranche Overview**

Document	No. of recommendations or work-streams	No. of recommendations addressed	No. of recommendations or work-streams where over 75% complete
WAO PIR March 2013 “Chief Officers Pay”	5	3	2
Wider Improving Governance Programme	5 (*)	1	4 (*)
WAO PIR Dec. 2013 “Chief Off. Essential Car Users and Annual Leave Allowance”	4	4	0
WAO Special Inspection	8	4	4
<b>Total</b>	<b>22</b>	<b>12</b>	<b>10</b>

**Note to table**

(\*) HR work-stream not included because recommendation already counted in WAO Special Inspection

4.5 In respect of the **WAO PIR dated March 2013**, three recommendations have been fully addressed while two recommendations have one outstanding action each. These recommendations are:

- the “Records of Meetings” recommendation, in relation to the electronic voting system, and
- the “Clarity and comprehensiveness of reports to committees” recommendation, in relation to the review of the reporting template.

Both actions, i.e. implementation of the electronic voting system and review of the reporting template, are close to completion and expected to be implemented by December 2014 and January 2015 respectively.

4.6 In relation to the **Wider Improving Governance Programme**, due to the natural longer duration and intrinsic complexity involved in some of the actions, four of the initial five work-streams are still in progress but due for completion by the end of this year or in early 2015. These work-streams are:

- “Electronic Council”, still outstanding in relation to webcasting implementation, replacement of committee documents management system and relevant updates of intranet and website, expected to be completed January 2015
- “Performance Management and Self-evaluation”, in relation to self-evaluation service reviews, self-evaluation annual cycle and performance management framework (including reporting cycle, report design and links to SE and SIP), expected to be completed after the establishment of the new Interim Chief Executive
- “Scrutiny” in relation to scrutiny development and organisation and performance management, expected to be completed December 2014
- “Outstanding WAO Governance Improvements” in relation to Partnership and Collaboration Strategy and Toolkit, and Business Continuity Action Plan, expected to be completed respectively mid October 2014 and by the end of this year

4.7 In relation to the **WAO PIR dated Dec. 2013** all four recommendations have been addressed.

- 4.8 In relation to the **WAO Special Inspection report dated January 2014**, 4 of the original eight recommendations have been fully addressed while 4, though considerably advanced in their advancement, are to be considered still in progress. These recommendations are:
- Work of the Improving Governance Programme, which is subject of the update and recommendation included in this report which if approved would practically complete it
  - Strengthening of Risk Management Processes, in relation to the building of “risk management monitoring” into the Scrutiny Forward Programme, and the establishment of a Risk Management Group, expected to have been completed by the time this report is considered
  - Whistle-blowing procedures roles and responsibilities, expected to be completed after the conclusion of the consultations with the Trade Unions and following the draft to be presented to Cabinet and Council for adoption.
  - Actions identified to improve the HR function and workforce planning, in relation to HR Strategy and plan, and Workforce Planning, expected to be completed by the end of the year
- 4.9 Based on the assessment above, it is the opinion of the Improving Governance Programme Board Officers that the named programme has served its purpose of successfully driving the Council’s action plan to improve its governance arrangements and ensuring that the momentum to deliver the action plan was maintained in 2014. It is also the opinion of the Board that in the interest of an efficient and effective way of working, and in an effort not to duplicate monitoring, the outstanding actions should be handed over to more appropriate monitoring bodies as detailed in Appendix 1.
- 4.10 The Programme Board therefore seeks approval from Cabinet Members to proceed with the above mentioned hand-over in respect of the remaining outstanding actions, but as a consequence of the very recent notification by WAO of a CGI follow up that the IGPB remains in place for 3-4 months to ensure that the Authority can respond to all the requirements in respect of that inspection.

## **5. EQUALITIES IMPLICATIONS**

- 5.1 The principles of good governance are directly linked to the Council’s Strategic Equality Objectives, stemming from duties under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 and the Welsh Language (Wales) Measure 2011. Equalities Implications are a standard part of all committee reports in order to ensure that due consideration has been given to the views of individuals and groups from the communities of Caerphilly county borough, regardless of their backgrounds and circumstances.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 Apart from a previous provision to set aside £50K to fund additional costs in respect of delivery of the Action Plan and Corporate Governance, agreed by Cabinet on 23rd July 2013, there are no financial implications in respect of this report.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 None going forward.

## **8. CONSULTATIONS**

- 8.1 All comments received are contained within the report.

## **9. RECOMMENDATIONS**

- 9.1 To note progress against the action plan resulting from the WAO Public Interest Report on the Chief Officers Pay published in March 2013, along with the wider Improving Governance Programme including the action plans resulting from the WAO Public Interest Report on Chief Officers Essential Car Users and Annual Leave Allowance published in December 2013 and the Special Inspection Report published in January 2014 as presented to and approved by Council on 28th January 2014 and Cabinet on 19th February 2014.
- 9.2 To approve the handing over of the monitoring of outstanding recommendations and actions to other suitable monitoring bodies as detailed in Appendix 1 but maintain the IGPB to ensure that the follow up CGI is effectively coordinated.

## **10. REASONS FOR THE RECOMMENDATIONS**

- 10.1 To ensure Cabinet is updated on the progress of the WAO Public Interest Report Action Plan and the wider Improving Governance Plan as updated to incorporate the additional recommendations and action plans approved by Council on 28th January 2014.
- 10.2 To ensure no duplication of effort in the longer term monitoring of outstanding recommendations, actions and business as usual resulting from the work of the Improving Governance Programme

## **11. STATUTORY POWER**

- 11.1 Local Government Act 2000

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Corporate Management Team  
Improving Governance Programme Board:

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- Cllr Christine Forehead, Cabinet Member for HR and Governance / Business Manager
- Gill Lewis, Seconded ABHB
- Colin Jones, Head of Performance and Property Services
- Gail Williams, Interim Monitoring Officer
- Gareth Hardacre, Head of People Management and Development
- Lisa Lane, Solicitor
- Alessandra Veronese, Programme Manager

### Background Papers:

- Programme Working Documents
- Report to Cabinet on 13th November 2013 - *Improving Governance Programme Update*
- Report to Cabinet on 16th October 2013 - *Improving Governance Programme Update*
- Report to Cabinet on 18th September 2013 - *Improving Governance Action Plan*
- Report to Cabinet on 11th December 2013 - *Improving Governance Action Plan*
- Report to Cabinet on 2nd October 2013 – *Risk Management Strategy and Guidance*
- Report to Council on 8th October 2013 – *Scrutiny Improvement Action Plan*
- Report to Cabinet on 30th October 2013 – *Corporate Planning and Performance Framework*
- Report to Council on 29th January 2014 - *Wales Audit Office Report – Public Interest Report on Chief Officers Essential Car User and Annual Leave Allowances*
- Report to Council on 29th January 2014 - *Wales Audit Office Report – Special Inspection Caerphilly County Borough Council*

- Report presented to the Scrutiny Leadership Group on 30th January 2014 - *Scrutiny Improvement Action Plan – Update*
- Report to Cabinet on 19th February 2014 - *Improving Governance Programme Update*
- Report to Cabinet on 5th March 2014 – *Corporate planning – self-evaluation*
- Report to Audit Committee on 5th March – *CCBC Partnerships and Collaborations*
- Report to Audit Committee on 5th March – *Business Continuity Management*
- Report to Audit Committee on 5th March – *Internal Audit Services Annual Audit Plan*
- Report to Cabinet on 2nd April 2014 - *Improving Governance Programme Update*
- Report to Cabinet on 18th June 2014 - *Improving Governance Programme Update*

Appendices:

Appendix 1 – IGP End of Tranche - Outstanding Actions as of 22/08/2015

Appendix 2 – IGP End of Tranche - Completed Actions as of 22/08/2014