



AUDIT COMMITTEE – 24TH JULY 2018

SUBJECT: REGULATOR PROPOSALS FOR IMPROVEMENT PROGRESS UPDATE

REPORT BY: DIRECTOR OF EDUCATION & CORPORATE SERVICES

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update members on progress against proposals or recommendations made by all regulators since the last Audit Committee update (Jan 2018).

2. SUMMARY

- 2.1 Since Jan 2018 there has been 3 proposals addressed and no new ones added onto the register.
- 2.2 We have not received any local reports since the last time we provided an update (except the certificate of compliance). There are two reports from the audit programme which have been received in draft and will be finalised by the next time an Audit update is due. Any proposals or recommendations for improvement from these reviews are not included within this report as they have not yet been through the formal reporting process.
- 2.3 Currently we have 3 recommendations and 9 proposals on the register totalling **12** altogether. There are 3 proposals which are now complete and if this is agreed by the Audit Committee, would leave **9** outstanding.
- 2.4 For clarity, the Wales Audit Office issue Proposals and Recommendations. The difference between the two is that a proposal is a 'suggestion for improvement'. This means the authority does not have to act on it, but if it is on the register it has been agreed that we will. A Recommendation has a statutory element to it which means we have a 'statutory duty' to act on the recommendation.

3. LINKS TO STRATEGY

- 3.1 Although the Well-being of Future Generations (Wales) Act 2015 has been introduced and replaces Part 1 of the 2009 Local Government Measure, Part 2 is still a legal requirement and this part puts a duty on an authority to 'make arrangements to continuously improve'. The reporting of progress against regulator proposals and recommendations for improvement are part of those arrangements.

4. THE REPORT

- 4.1 There has been one finalised regulator output received since the last update and this is the certificate of compliance. This has no proposals or recommendations but confirms the Council has complied with its statutory duty to produce Well-being Objectives and this is on the Audit Committee programme 24th July 2018 as an information only item.

- 4.2 As of Dec 2017 Audit Committee, there were 13 proposals / recommendations outstanding and there are no new ones at this time. We are recommending 3 are closed down as completed leaving 9 outstanding. See breakdown below:

Name of Report	How many proposals / recommendation outstanding	How many completed in this reporting period	How many left
Customer Service Review	1	0	1
Asset Management	1	0	1
Financial Position	1	0	1
Financial Resilience	1	0	1
Leisure Review	1	0	1
Review of arrangement to address external audit inspection	1	0	1
Good governance when determining significant service changes.	2	1	1
Savings planning (Financial Resilience)	1	0	1
Welsh Housing Quality Standard	3	2	1
Total	12	3	9

- 4.3 As of June 2018, 2 of the proposals have been on the register for nearly 5 years (from reviews that were carried out in 2013). One proposal has been on the register for 3 years and two have been on the register for 2 years. There have been **109** proposals or recommendations since the register began.
- 4.4 **The Customer Services Review** was carried out in 2012/13 and had seven proposals. At the last report there was one outstanding proposal and that was recommended for closure. The Audit Committee wanted this to remain live until the surveys had been completed. The surveys of the Customer First Centre are now completed however we have opted to keep this open as the telephone surveys of the call centre have not taken place yet, although quality monitoring of calls takes place. Much of this work has moved into day to day business and the times in which they operate have changed since the review was carried out (2013) and this may require new ways of working. A presentation will be made to the Audit Committee by the Head of Customer Services to provide wider background on customer service provision.
- 4.5 **Asset Management** originally had 7 proposals and now there is now 1 left. The last proposal is about developing individual service asset plans and implementing monitoring arrangements. As noted in Dec 17 Report some services have individual Service Area Asset Management Plans (SAAMP) and some services are being reviewed. The service has appointed an Asset Management Coordinator (AMC) on a two year contract starting in August 2018. The AMC will work with and assist service area teams in developing Service Area Asset Management Plans. Whilst this means this proposal will stay outstanding for longer than anticipated and that we would have originally wanted (a further 18months) this will allow the new AMC to help complete good quality individual service asset plans.
- 4.6 **Financial Position Review** has one outstanding proposal from summer 2015 about ensuring priorities are taken into account when making savings. The Council's Well-being Objectives will now run over a five year period in line with the Medium Term Financial Plan so they run concurrently. As a result we will be in a position to complete this proposal this year.

- 4.7 **Leisure Review** – As noted in the Appendix a 10 year Sport and Active Recreation Strategy has been drafted and was considered by Regeneration and Environment Scrutiny on 26th June. It will go out to public consultation on the 16th July after a member seminar on the 9th July 2018.
- 4.8 **The Welsh Housing Quality Standard (WHQS)**. The recommendations came onto the register in December following a review in November. Of the three recommendations from the regulator two are now completed and there has been considerable work to address the recommendations and to deliver the programme. There is an extensive range of reporting against the programme for example to P&R Scrutiny, The Repair and Working Group, The Caerphilly Homes Project Board, The Caerphilly Homes Task Group and Cabinet. WAO have carried out telephone surveys of the tenants as part of their Service User Perspective work and this output is now completed and the results / report is being drafted. There is additional follow up work taking place on the WHQS and this may result in further proposals later in the year.
- 4.9 There are no new reports at this time however there are two draft reports currently being finalised which are:
- ‘Service User Perspective’ – a qualitative report, where WAO have telephoned a sample of housing tenants subject to the WHQS programme and the results will be used to inform their follow up WHQS review work later in the year.
 - Overview and Scrutiny – Fit for the Future? which asks the question Is the Council’s overview and scrutiny function well placed to respond to current and future challenges
- 4.10 The Education Service advise there are no ESTYN reports to report on this occasion. Social Services also advise there are no final Care Inspectorate Wales reports or studies to report on at this time. The draft report which is a joint review with Health Inspectorate Wales of mental health services in the South Community Mental Health Team has not yet been finalised.
- 4.11 The Wales Audit Office opinion is that the decision on whether a proposal is completed is an internal matter and is for the organisation to decide, (although it is within their remit to make more proposals if they do not believe it has been addressed). The register is forwarded onto the Wales Audit Office for their information and updated once seen and agreed by Audit Committee.
- 4.12 We recommend 3 proposals be closed down as completed and encourage members to view the specific proposals attached within Appendix A and judge if they concur that the proposals are now complete.
- 4.13 When monitoring progress against the proposals, members are advised to consider what value the proposals are making and what difference the activity in addressing them has made for our citizens.

5. WELL-BEING OF FUTURE GENERATIONS IMPLICATIONS

- 5.1 There are no specific implications to the Well-being of Future Generations within this report however some proposals when realised may benefit future generations for example the Leisure Review which calls for the development of an agreed vision and strategy for its Sports and Leisure Services and would contribute to a ‘Healthier Wales’ and one of a Vibrant Culture and Thriving Welsh Language. The Asset Management Strategy contributes towards ‘A Wales of Cohesive Communities’.
- 5.2 Some of the proposals may impact change of planning for example developing a longer term MTFP, from three years to five years and developing income generation policies. In terms of the five ways of working, these should be included within the actions to address these proposals and are not specific to the proposals themselves.

6. EQUALITIES IMPLICATIONS

- 6.1 No specific Equalities Impact Assessment has been undertaken on this report; however the Local Government Measure 2009 cites fairness and accessibility as part of the definition of what 'Improvement' means.

7. FINANCIAL IMPLICATIONS

- 7.1 There are no financial implications arising from this report although of note external audit fees can be reduced, if regulators are assured and place reliance on the organisation's own ability to monitor and challenge itself to improve.

8. PERSONNEL IMPLICATIONS

- 8.1 There are no personnel implications arising from this report.

9. CONSULTATIONS

- 9.1 This report has been sent to the Consultees listed below and all comments received are reflected in this report

10. RECOMMENDATIONS

- 10.1 It is recommended that Audit Committee note the contents of this report and give their agreement (where appropriate) to close the proposals that are noted as 'recommended to be closed' within the Appendix.

11. REASONS FOR THE RECOMMENDATIONS

- 11.1 To ensure members are aware of progress the Council's actions for progressing regulator recommendations and proposals and have assurance that progress is being made through an opportunity to monitor and challenge content.

12. STATUTORY POWER

- 12.1 Local Government Measure (Wales) 2009.

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Consultees: Ed Edmunds, Corporate Director for Education & Corporate Services
Christina Harrhy: Interim Chief Executive
Cllr Barbara Jones: Deputy Leader and Cabinet Member for Finance, Performance and Governance
Dave Street: Corporate Director of Social Services
Stephen Harris: Interim Head of Finance
Richard Harris: Internal Audit Manager
Jo Williams: Assistant Director, Adult Services
Liz Lucas: Head of Procurement and Customer Services
Mark Williams: Head of Property Services
Lynne Donovan: Interim Head of Human Resources
Mark S. Williams: Interim Corporate Director Communities
Rob Hartshorn: Head of Policy and Public Protection / Community and Leisure
Kathryn Peters: Corporate Policy Manager, Corporate Policy Unit
Anwen Cullinane: Senior Policy Officer, Corporate Policy Unit
Dave Roberts: Principal Group Accountant, Corporate Services.
Shaun Watkins: Principal Personnel Officer, Social Services

Appendices:

Appendix A: Update of Proposal / Recommendation Register June 2018.

Action Plan 2018 Response to Regulator Proposals

Number and reference of action	Original Document	Regulator Proposal	Action	Previous Update Dec 2017	Service Officer Responsible	When will be completed by	Update July 2018	Status	Percentage completed
39	Customer Services Review (August 2013)	P2: Information and data. Strengthen the approach to evaluating and improving customer services in a proactive way. This should include collecting and analysing customer views and satisfaction data for e-mail and telephone correspondence.	1) Review the Customer Service standards and measures. 2) Implement survey forms for one-stop-shops and survey of contact centre 3) Broaden to other contact e.g Housing repairs to find out what they do 4) add performance data to Ffynnon CMT scorecard	Action complete. Service standards were launched 4th December 2018 and signage is in place. Standards have been widely communicated and promoted to all staff, including the use of easy to remember handouts. Internal surveys have been issued and returned. The results are currently being evaluated and will support the Service improvement plan going forward. External Customer surveys to be issued early January 2018. Key Performance Indicators are being reported on as business as usual via corporate scorecard	Liz Lucas Head of Customer Services	Nov-14	A detailed survey of customers visiting the customer service centres was completed in March 2018. The process is complete and we now need to build on the findings. Responses to customer e-mails include a link to an online customer survey where customers can leave their comments. A formal survey of customers who call the Contact Centre has not yet been carried out for this year. However, recordings of phone calls are being sampled to gauge customer satisfaction, we are looking at technology to automate the collection of customer feedback, and we are carefully analysing call handling data to gauge customer preferences	30 Jan 18 - Service Recommended Completed Audit Committee decided to keep open & requested head of CS come and verbally present on progress .	Change to 95%
46	Asset Management (Land and Property) Strategy Review (September 2013)	P2: Ensure that the individual service asset management plans are developed as soon as possible and are used to inform the Council's financial planning process.	Develop Service Asset Management Plan (SAMP) and consider impact on the Medium Term Financial Plan (MTFP)	Meetings have been held with all relevant service areas and in all cases production of Service Area AMPs has commenced. We have received background information from some service areas and all have been asked to work towards completion of a draft SAAMP by the end of March 2018.	Mark Williams	Jan-Mar '14 (change of completion date to March 2018 due to number of reviews that affect the outcome). Date changed to March 2020 see update	An Asset Management Coordinator (AMC) has been appointed on a two year contract and will commence duties in August 2018. The AMC will work with and assist service area teams in developing Service Area Asset Management Plans. The Draft Sport and Active Recreation Strategy was published in June 2018 for comment and consultation. The strategy proposes rationalisation of the leisure centre estate and the final agreed strategy will inform the Service Area Asset Management Plan.	In progress	75%
FPA2015/1	Financial Position Assessment Issued May 2015	P1 The Council should ensure that its priorities and improvement objectives are explicitly taken into account when determining its savings plans	Continue to develop linkages between Council priorities and the Medium-Term Financial Plan (MTFP).	The Interim Head of Corporate Finance is in the process of reviewing the savings principles of Cabinet and there is an ongoing work to establish a process that better links the Well being Objectives and the MTFP. For the last three years the Well-Being Objectives (WBO) have had a section in the publication explaining how we would fund the Objectives and this has to be aligned to the finance available, meetings between Performance and Finance take place to ensure this is the case. Processes exist but both aspects ran at different times within the cycles of planning. The legal date for publishing the WBO has changed and now co-incides with the same date as the MTFP so from this year they will fall into the same timeframe of co-production. This will make it easier to finalise an effective process.	Stephen Harris	Ongoing	The 'Corporate Plan & Well-being Objectives 2018 - 2023' was approved by Council on the 17th April 2018. This Plan includes details of Cabinet commitments and revised MTFP savings principles. These will now be incorporated into the process of developing savings proposals from the 2019/20 financial year onwards.	In progress	Dec 75% July 90%
New 181A2016	Financial Resilience 2015/2016 issued April 2016	Developing income generation/charging policies.	A corporate policy on income generation/charging will be progressed once the WAO produces a final national report on its "All Wales Local Government Improvement Study: Strategic approach to income generation and charging".	The drafting of an Income Generation Policy has completed and is due to be presented to Corporate Management Team. It will then be finalised by the end of April 2018. Benefits and outcomes from the policy should be monitored for effectiveness.	Rob Hartshorn	01/04/2017 (changed) July 17	This will be considered by the Business Improvement Portfolio (BIP) Board during 2018/19.	In progress	75%

181A2016	Leisure Review (May 16)	<p>R1 The Council needs to urgently develop and agree a vision and strategy for its sports and leisure services, and set out how it will achieve this. In doing so, the Council should ensure that:</p> <ol style="list-style-type: none"> 1. there is effective involvement of, and engagement between, politicians and officers to strengthen corporate oversight of process 2. relevant expertise is involved across the Council at an early stage 3. there is a clear plan for public and stakeholder engagement 4. There are clear links to corporate plans, priorities and the MTFP 5. Options appraisals are undertaken based on robust information base, (costs, benefits, risk etc) each option is assessed. 6. Appropriate consideration is given to the impact by applying the principles of the Well-being of Future Generations Act 7. Governance and accountability mechanisms are identified to report and monitor progress in developing the vision 8. Consideration is given to capacity of the service to develop and implement an intergrated sports and leisure strategy 	<p>Following member approval the authority has engaged a consultant to: i) To establish a clear purpose for its business and other activities in Sport & Leisure. (ii) Analyse and recommend "placement" of the service into the future taking into account existing practice alongside exploring opportunities for development based on current and projected demand in the Sport & Leisure Industry. (iii) Establish a set of recommendations that is appropriate to the needs of the County Borough's communities and is affordable going forward. (iv) An assessment of the most appropriate operating model(s) for the Authority. (v) The preparation of a new, over-arching strategy, and delivery plan that:- Fully takes into account national strategies/priorities as well as local needs and issues set in the context of financial constraints; • Places the future rationale, and appropriate operational models for Sports & Leisure in Caerphilly in accord with the "direction" being supported by Welsh Government; • Delivers a bespoke approach appropriate to the needs and demands of the communities in the County Borough. (vi) To suggest next steps (eg: user engagement, etc.) that the Authority may need to take.</p>	<p>Recent developments in terms of MTFP and the pontllanfraith leisure centre site have brought new influences. Officers have now drafted (August 2017) a succinct, "easy to read" strategy document which will need to be considered by CMT in early 2018 (once the new structure of CMT is finalised) prior to progressing through the various political and consultative stages before being considered for adoption by the council.</p>	<p>Mark.S.Williams, Changed to R.Hartshorn</p>	<p>Previously May 2017, changed to Oct 2018</p>	<p>A 10 year Sport & Active Recreation Strategy has been drafted. This was considered by Regeneration & Environment Scrutiny on 26th June 2018, and then Cabinet on 27th June 2018. Approval will be sought for a public consultation process to start on the 16th July following a Member Seminar scheduled for 9th July 2018.</p>	<p>In progress</p>	<p>75%</p>
344A2016 (Audit year 15/16) Issued May 2016 / reported August 16	Review of arrangements to address external audit, inspection and regulation and proposals for improvement.	<p>P1 As the Council develops its vision and considers the future shape of the organisation, it should identify and plan for the workforce requirements to implement its vision.</p>	<p>Develop Staff Vision and Values to complement Cabinet Commitments. Research and Develop a holistic organisational development plan, that includes age profiling, re-skilling and potential apprenticeships. This would include supporting agile working policy and practise.</p>	<p>Cabinet and Corporate Management Team have been working on their vision for the Authority with specific pledges that will allow them to be held to account in taking the organisation forward. The results have informed a draft report that is being presented to a Policy Development Meeting January 2018. Additionally the Medium Term Financial Plan will go to Cabinet in February. Workforce planning is not carried out in isolation and needs to support and be part of delivering a vision and financial implications. These key activities need to happen in order to develop a workforce plan. Workforce planning is already carried out when any significant service changes occur but we believe we should keep this proposal open while the vision and budget is being finalised.</p>	<p>Lynne Donovan</p>	<p>Oct 2017 Changed to April 2019</p>	<p>Cabinet Commitments have been launched and widely promoted. Workforce vision and values are being developed to compliment this. However we are in a different place since this proposal was made and we need to ask different questions and look at wider solutions. We need an organisational development plan that is inclusive, moving away from individual service workforce plans to a more holistic and lateral plan - making connections with other areas such as re-skilling staff so they can support vacancy's in different disciplines with a more agile workforce. We need to grow our own in house skills and develop apprenticeships and this will take proper research and time to ensure we develop the right kind of organisational development. This work has started and is likely to develop further over the next two years with a draft OD policy due to go to P&R scrutiny between Nov 2018- Jan 19 with routine updates to this committee on progress.</p>	<p>In progress</p>	<p>40%</p>
118A2017 - (issued Feb 2017) deferred due to election til June	Good governance when determining significant service changes. Presented Cabinet 5th July 17	<p>P1 Introducing a more systematic and transparent arrangement for monitoring the impact of service changes</p>	<p>As part of the Council Report in February each year to establish a balanced budget for the next financial year an Appendix will be attached to this report listing all the service changes due to take place in the next financial year. This Appendix will include a description of the service, estimated date for implementation of changes and the relevant responsible Senior Officer and Cabinet Member. This list will be reviewed half yearly in the first instance by Corporate Management Team, followed by a report to Cabinet during the Autumn of each year as part of the mid-year budget monitoring report. This report will provide a commentary on any adverse impacts not originally envisaged/reported with actions where possible to address or mitigate these variations</p>	<p>The agreed action is to be incorporated into the 2018/19 budget. The Report will be presented to Cabinet in February and Council in March and there will be an update mid year that shows the monitoring of impact. As this has not yet been presented to Cabinet we would suggest keeping this proposal open until the mid year after which monitoring impact of service changes becomes standard practise.</p>	<p>Stephen Harris</p>	<p>Feb-18</p>	<p>There were no major service changes arising from the savings agreed by Council for the 2018/19 financial year. However, progress in delivering the approved savings will continue to be monitored through the budget monitoring reporting process. As we move forward there will inevitably be more significant changes required to achieve savings targets and this will be closely project managed through progress reporting to the Business Improvement Board.</p>	<p>In progress</p>	<p>80%</p>
118A2017 - (issued Feb 2017) deferred due to election til June	Good governance when determining significant service changes. Presented Cabinet 5th July 17	<p>P2 More clearly setting out in reports how feedback from engagement and and consultation has been taken account of in developing proposals for service change</p>	<p>Final reports to Cabinet/Council in respect of proposals for service change will describe in the relevant section titled "Consultations" how any consultation or engagement has influenced/changed the final proposal.</p>	<p>All Report templates require the author to describe how consultations and engagement have informed any decisions or recommendations. The 2018/19 Budget will include detailed feedback on the consultaiton process and outcomes in relation to draft savings proposals. This will be standard practise for Budget reporting. Once the Budget Report has been presented to Council we would suggest this proposal is completed.</p>	<p>Stephen Harris</p>	<p>Mar-18</p>	<p>The 2018/19 budget report approved by Council on the 22nd February 2018 included detailed feedback on the consultation process undertaken on the draft budget proposals. This is now business as usual.</p>	<p>Completed</p>	<p>Dec 80% July 100%</p>
654A2016 (issued March deferred due to election til June)	Savings planning (Financial Resilience Presented Cabinet 5th July 2017)	<p>P1. Strengthen financial planning arrangements by: ensuring that savings plans are underpinned by robust business cases</p>	<p>1 Develop a new template to capture detailed information on future savings proposals. The template will include consideration of the Well being of Future Generations (Wales) Act 2015 to further develop links between the MTFP & Council Priorities an objectives. 2. Guidance notes to be produced to help managers understand why and how to complete.</p>	<p>Detailed templates have been developed to ensure that all savings propals that have a public impact are subject to detailed assemsment. The Template is being polited within the Coummities Directorate in relation to 2018/19 draft savings proposals and will be evaluated and then rolled out to the rest of the Council for the 2019/20 budget process. Guidance notes have been produced and distributed.</p>	<p>Stephen Harris</p>	<p>Oct - Dec 18</p>	<p>The pilot has been completed in the Communities Directorate. The Business Improvement Board will determine the next steps in relation to business case requirements linked to significant service change proposals. As part of business as usual all savings proposals that are likely to have an impact on the public will require detailed reports to be prepared for consideration by Scrutiny Committees.</p>	<p>In progress</p>	<p>Dec 50% July 75%</p>

