

## CABINET - 13TH NOVEMBER 2013

**SUBJECT: IMPROVING GOVERNANCE PROGRAMME UPDATE**

**REPORT BY: INTERIM CHIEF EXECUTIVE**

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### 1. PURPOSE OF REPORT

- 1.1 To inform the Cabinet of progress against the WAO Public Interest Report Action Plan and the wider Improving Governance Programme.

### 2. SUMMARY

- 2.1 The Council's Appointed Auditor issued a *Report in the Public Interest* on 6 March 2013 under section 22 of the Public Interest (Wales) Act 2004. The Appointed Auditor published this report to draw the public's attention to a failure in governance arrangements and inadequacies in the processes adopted by the Council to determine the pay of Chief Officers.
- 2.2 The Appointed Auditor made five recommendations and on 23<sup>rd</sup> April 2013, the Council approved an action plan to address the auditor's recommendations.
- 2.3 A programme Board was established (the Improving Governance Programme Board) to oversee the work on the action plan to address these five recommendations. The work of the Board has now been expanded to cover other areas of governance, identified within the Council for further improvement. The Board is made up of the Cabinet Member for Governance and a number of Senior Officers including a secondee from Aneurin Bevan Health Board, Chaired by the Acting Director of Corporate Services & S151 Officer.
- 2.4 Progress against the recommendations has been reported to the Board on a fortnightly basis and to CMT monthly. Cabinet have received briefings and reports on progress, and formally noted progress at the meeting on 18<sup>th</sup> September 2013 and 16<sup>th</sup> October 2013.
- 2.5 This report outlines progress against the WAO Public Interest Report Action Plan and the wider Improving Governance Programme.
- 2.6 Significant progress has been achieved in most of the areas of recommendations included in the PIR and work is also well underway to address the additional areas of improvement identified and included in Phase 2 of the wider Improving Governance Programme.

### 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 This report provides an update on the progress of the Improving Governance Programme including the WAO Public Interest Report Action Plan, attached in Appendix 1, following on a previous report presented to Cabinet on 18<sup>th</sup> September and 16<sup>th</sup> October 2013.

### **Phase 1 – Public Interest Report Action Plan**

4.2 The Public Interest report covered five key areas:

- Advertisement of meetings
- Conflicts of interest
- Procedures for new Committees
- Records of meetings
- Clarity and comprehensiveness of Reports to Committees

4.3 Significant progress has been reached on all five aspects of the Action Plan and detail of it is shown in the Action Plan which is attached as Appendix 1.

4.4 In particular, the percentage of completion of the actions included in the plan is close to 80%.

4.5 As highlighted in the previous report some of the slippage on the outstanding actions is due to major challenges facing the Council at this time, such as the Medium Term Financial Strategy (MTFS) and service delivery commitments that have a direct impact on the workload of the officers involved in the delivery of the Action Plan. The potential lack of capacity has been logged as a major risk for the Programme.

4.6 The Council are also ensuring that any significant changes made as a result of the work are being presented to Scrutiny, Audit Committee and Cabinet for consideration and approval, and as such, the meetings cycle also has and will have an impact on achieving the timeline since most of the changes being implemented require Scrutiny, Audit Committee consideration and Cabinet approval.

4.7 It is anticipated that all actions will be completed by December 2013 and each recommendation will have a date identified for follow up and monitoring to ensure that changes put in place as a result of improving governance are sustained.

4.8 It is important to note that some of these work streams will be fed into the review of the Constitution which is to be undertaken by the Cross Party Working Group set up at Council on 11th June 2013.

### **Phase 2 – Other areas for improvement**

4.9 As described in the previous report, alongside the recommendations included in the WAO PIR, the wider Improving Governance Programme aims at addressing other areas of improvement in governance proactively identified by Members, Officers and Senior Management in order to strengthen processes and procedures and streamline the business operations of the Council.

4.10 At this stage of the Programme the additional areas are:

- Performance Management
- Risk Management
- Scrutiny
- Human Resources
- WAO outstanding governance improvements (partnerships and collaborations)

- 4.11 Work is undergoing in the “Performance Management” work strand to ensure that the Corporate Planning process is further aligned to the Medium Term Financial Strategy and that Plans are considered and approved before the start of each financial year. It will also review the requirements of a strong, robust self-evaluation process. An initial report has been prepared and is scheduled for Cabinet consideration and approval on 30<sup>th</sup> October and workshops on self-evaluation have been arranged for Leadership Officers in week commencing 4<sup>th</sup> November.
- 4.12 A report on “Risk Management Strategy and Guidance”, presented at the Audit Committee on 17<sup>th</sup> September 2013, has been subsequently approved by Cabinet on 2<sup>nd</sup> October and risk management workshops have been organised for Audit Committee and Cabinet. The Corporate Risk Register will be presented to Audit Committee on 6<sup>th</sup> November.
- 4.13 Following a full review of the WAO report on Scrutiny, a Scrutiny Action Plan was developed and the relevant report was presented to Democratic Services Committee on 3<sup>rd</sup> October and approved by full Council on 8<sup>th</sup> October. The actions included in the approved plan have already started being implemented.
- 4.14 There are a number of outstanding recommendations relating to HR from previous WAO reviews (see Audit Committee report on outstanding recommendations), which have now been established as part of the wider IGP. These are being progressed but are not yet complete.
- 4.15 Recently, two outstanding improvements from previous WAO reviews, recommending strengthening of governance in partnerships and collaborations respectively, have also been included in the Improving Governance Programme due to their affinity with the programme. The IGP Board is currently developing an action plan for this additional work-strand.

## **5. EQUALITIES IMPLICATIONS**

- 5.1 This report is for information purposes, so the Council's EqIA process does not need to be applied.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 Cabinet on 23rd July, 2013 agreed that a provision be set aside of £50K to fund additional costs in respect of delivery of the Action Plan and Corporate Governance. This provision will be kept under review to ensure that it remains adequate to cover off any additional cost.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 A secondment arrangement is currently in place with the Aneurin Bevan Health Board that releases an individual with extensive experience in Local Government Corporate Governance related issues to the Authority on a part-time basis to assist with the implementation of the Action Plan.

## **8. CONSULTATIONS**

- 8.1 All comments received are contained within the report.

## **9. RECOMMENDATIONS**

- 9.1 To note progress against the WAO Public Interest Report Action Plan and the wider Improving Governance Plan.

## **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.

## **11. STATUTORY POWER**

- 11.1 Local Government Act 2000

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### Background Papers:

Programme Working Documents

Report to Cabinet on 16<sup>th</sup> October - *Improving Governance Programme Update*

Report to Cabinet on 18<sup>th</sup> September - *Improving Governance Action Plan*

Report to Cabinet on 2<sup>nd</sup> October – *Risk Management Strategy and Guidance*

Report to Council on 8<sup>th</sup> October – *Scrutiny Improvement Action Plan*

Report to Cabinet on 30<sup>th</sup> October – *Corporate Planning and Performance Framework*

### Appendices:

Appendix 1 WALES AUDIT OFFICE REPORT IN THE PUBLIC INTEREST – Action Plan and Progress to date – 25<sup>th</sup> October 2013