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**Date: 16th November 2016**

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Dear Sir/Madam,

A meeting of **Council** will be held in the **Council Chamber, Penallta House, Tredomen, Ystrad Mynach** on **Tuesday, 22nd November, 2016** at **5.00 pm** to consider the matters contained in the following agenda.

Yours faithfully,

A handwritten signature in blue ink that reads 'Chris Burns'.

**Chris Burns**  
INTERIM CHIEF EXECUTIVE

## A G E N D A

Pages

- 1 To receive apologies for absence.
- 2 Mayor's Announcements.
- 3 Presentation of Awards.

A greener place Man gwyrddach



4 Declarations of Interest.

Councillors and Officers are reminded of their personal responsibility to declare any personal and/or prejudicial interest(s) in respect of any item of business on this agenda in accordance with the Local Government Act 2000, the Council's Constitution and the Code of Conduct for both Councillors and Officers.

To approve and sign the following minutes: -

- 5 Council held on 11th October 2016. 1 - 8

To receive and consider the following reports from meetings of Cabinet.

- 6 Corporate Asset Management Strategy - 19th October 2016. 9 - 58

- 7 Highway Asset Management Plan Endorsement - 16th November 2016. 59 - 82

To receive and consider the following reports: -

- 8 Annual Improvement Report by Wales Audit Office. 83 - 124

- 9 Standards Committee - Appointment of Independent Member. 125 - 128

- 10 Planning Committee Site Visits. 129 - 138

- 11 Internal Investigation of Senior Officers - Additional Financial Provision for Legal Costs. 139 - 142

To receive and answer questions received under Rule of Procedure 10(2) which may have been submitted after the preparation of the agenda.

**Circulation:**

All Members And Appropriate Officers

# Agenda Item 5



## COUNCIL

### MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, YSTRAD MYNACH ON TUESDAY, 11TH OCTOBER 2016 AT 5.00 PM

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#### PRESENT:

Councillor Mrs D. Price - Mayor  
Councillor J. Bevan - Deputy Mayor

#### Councillors:

L. Ackerman, M. Adams, Mrs E.M. Aldworth, Mrs K.R. Baker, L. Binding, Mrs A. Blackman, D. Bolter, D.G. Carter, Mrs P. Cook, C.J. Cuss, W. David, D.T. Davies, H.R. Davies, K. Dawson, N. Dix, M. Evans, Mrs C. Forehead, Miss E. Forehead, J.E. Fussell, N. George, C.J. Gordon, R.W. Gough, Mrs P. Griffiths, D.T. Hardacre, L. Harding, D.C. Harse, D. Havard, C. Hawker, A.G. Higgs, K. James, M.P. James, G. Johnston, Ms J.G. Jones, Miss L. Jones, S. Kent, G. Kirby, Ms P. Leonard, A. Lewis, K. Lloyd, C.P. Mann, P.A. Marsden, S. Morgan, Mrs G. Oliver, A. Passmore, D.V. Poole, M.J. Prew, J. Pritchard, J.A. Pritchard, K.V. Reynolds, J.E. Roberts, R. Saralis, Mrs M.E. Sargent, J. Simmonds, Mrs E. Stenner, J. Taylor, L.G. Whittle, T.J. Williams, R. Woodyatt

#### Together with:

C. Burns (Interim Chief Executive), C. Harry (Corporate Director – Communities), N. Scammell (Acting Director of Corporate Services and Section 151 Officer), D. Street (Corporate Director - Social Services), G. Williams (Interim Head of Legal Services and Monitoring Officer), R. Hartshorn (Head of Public Protection), C. Jones (Head of Performance and Property Services), T. Stephens (Interim Head of Planning), R. Kyte (Team Leader Strategic and Development Planning) and R. Barrett (Committee Services Officer)

#### 1. WEB-CASTING FILMING AND VOTING ARRANGEMENTS

The Interim Chief Executive reminded those present that the meeting was being filmed and would be made publicly available in live and archive form via the Council's website. He advised that decisions would be made by a show of hands.

#### 2. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors A.P. Angel, P.J. Bevan, H.W. David, C. Elsbury, Ms J. Gale, L. Gardiner, G.J. Hughes, Mrs B.A. Jones, D.W.R. Preece, A. Rees, D. Rees, S. Skivens and Mrs J. Summers.

#### 3. WELCOME – NEW MEMBERS

Members welcomed newly elected members Lindsay Harding (Gilfach Ward) and Arianna Passmore (Risca East Ward) to their first meeting of Council.

#### **4. MAYOR'S ANNOUNCEMENTS**

The Mayor referred to the many events and visits that she and the Deputy Mayor have undertaken since the last meeting. The Mayor spoke of her pleasure in attending the recent Looked After Children Achievement Awards held at Penallta House and Caerphilly Castle, which acknowledged and celebrated the achievements made by looked after children and young people within the county borough. Members placed on record their appreciation to staff within Caerphilly Children's Services for their hard work and the vital role they play in the lives of these children and young people.

#### **5. PRESENTATION OF AWARDS**

There were no awards to be presented.

#### **6. DECLARATIONS OF INTEREST**

There were no declarations of interest received at the commencement or during the course of the meeting.

#### **7. COUNCIL – 19TH JULY 2016**

RESOLVED that the following minutes be approved as a correct record and signed by the Mayor.

Council held on 19th July 2016 (minute nos. 1-16).

#### **8. SPECIAL COUNCIL – 28TH SEPTEMBER 2016**

RESOLVED that the following minutes be approved as a correct record and signed by the Mayor.

Special Council held on 28th September 2016 (minute nos. 1-5).

#### **REPORTS REFERRED FROM CABINET**

Consideration was given to the following reports referred from Cabinet.

#### **9. AUTHORISATION OF OFFICERS – COMMUNITY/PARTNERSHIP GRANT SCHEMES**

The report, which was presented to Cabinet on 7th September 2016, sought approval to authorise Officers in relation to the operation of community/partnership grant schemes within the Public Protection Division, and the endorsement of a subsequent change to the Council's Constitution.

The report outlined proposed changes to the Council's Constitution following organisational changes, whereby the Head of Public Protection is now responsible for the Corporate Policy function, including the administration of two grant funded schemes (the Technical Assistance Fund and the Greener Caerphilly Small Grants Fund). At the meeting of Cabinet, and in noting these organisational changes, Members unanimously agreed that the report recommendation which proposed that any Director or the Head of Public Protection be authorised to approve or refuse applications under these grant funded schemes, be approved.

Cabinet also recommended to Council that the proposed changes to the Council's Constitution as set out in the report be approved and that the Monitoring Officer be given delegated authority to make the necessary changes to the Council's Constitution.

During the course of the ensuing debate, a Member referred to the relocation of the Corporate Policy function within the Public Protection division, and queried the impact of this change on the role of the Health, Social Care and Wellbeing Scrutiny Committee and the workload of the Director of Social Services. The Interim Chief Executive outlined adjustments to scrutiny arrangements and increased corporate management responsibilities across the Authority, and explained that the change to the Corporate Policy function is an interim arrangement that will be revisited at a later date, along with the other temporary arrangements currently in place.

Following consideration of the report, it was moved and seconded that the recommendations from Cabinet as outlined therein be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the report:-

- (i) any Director or the Head of Public Protection be authorised to approve or refuse applications under the Technical Assistance Fund and Greener Caerphilly Small Grants Fund;
- (ii) the proposed changes to the Council's Constitution to add the delegation for the approval or refusal of applications for these grant funding schemes, and to add Corporate Policy to the list of functions, be approved;
- (iii) the Monitoring Officer be given delegated authority to make the necessary changes to the Council's Constitution.

## **10. ANNUAL PERFORMANCE REPORT FOR 2015/16**

Cabinet considered this report on 5th October 2016 and in endorsing its content recommended its acceptance by Council.

The Performance Report is a statutory requirement under the Local Government (Wales) Measure 2009 and an important part of the Council's Performance Framework. The Council is required to assess its own performance and provide the public with a balanced picture of that performance.

The report highlighted how the Council performed against the Improvement Objectives it set itself for 2015/16. In addition, it was noted that for 2016/17, Improvement Objectives will be called Well-Being Objectives. However, as the report covers the time period of 2015/16, the term Improvement Objectives has been used for consistency and audit purposes.

Members noted that for 2015/16, there were 5 Improvement Objectives set by the Authority, of which 4 have been partially successful and carried forward to 2016/17 and 1 has been successful. Overall, there is a mixed picture of performance across the Local Authority and against All Wales data, with some areas performing exceptionally well and others in need of further improvement. Thirteen of the indicators are in the "Upper Quarter" in Wales, including 4 which are the best (1st placed) in Wales. Members were asked to note in particular the Council's improved performance in respect of the percentage of municipal waste sent to landfill (having moved from 10th place in Wales up to 4th place in 2015/16). Full details of the Council's performance in relation to Wales across all 41 indicators were included in the Annual Performance Report appended to the Officer's report.

Discussion took place in respect of a number of the performance indicators outlined in the report and their respective all-Wales ranking. Reference was made to a drop against the

previous year all-Wales rankings regarding pupil attendance and the percentage of pupils leaving school without an approved qualification. A Member referred to an underspend within Education budgets and sought details of the intended improvements for these lower-performing areas.

The Interim Chief Executive reminded Members that the Council has honoured the Welsh Government pledge to increase and protect school budgets and that school funding has not been affected. Members were advised that the Council continues to work in partnership with the Education Achievement Service (EAS) who have undertaken the role of challenging all secondary schools to improve performance, including ensuring that all pupils leave with an approved external qualification. Although only a very low percentage of pupils (0.5%) left school without any qualifications in 2015/16, it has been recognised that improvements are needed in this area. Members were given assurances that this area is currently being addressed, with Officers currently holding a series of meetings with the EAS and secondary school headteachers to produce an action plan on this matter.

Members were asked to note a steady improvement in the percentage of attendance against previous years (although these are not necessarily reflected in the all-Wales rankings), and were advised that the Education Welfare Team continues to work with schools and parents to encourage and improve pupil attendance.

A Member highlighted a gap in attainment at Key Stage 4 for those children receiving Free School Meals compared to other Key Stages. The Interim Chief Executive explained that there are indications that secondary school funding is more constrained compared to primary schools and explained that there would be an opportunity for the school funding formula to be re-assessed in the near future. During the course of the debate, Members were also reminded of the Council's commitment to improving education standards across the county borough.

Members thanked the Officer for the detailed report and noted the contribution of all staff involved in the development of the Annual Performance Report.

Following consideration and discussion, it was moved and seconded that the recommendation from Cabinet as outlined in the report be endorsed. By a show of hands this was unanimously agreed.

RESOLVED for the reasons contained in the report, the Annual Performance Report 2015/16 as appended to the Officer's report be accepted.

## **REPORTS OF OFFICERS**

Consideration was given to the following reports.

### **11. ANNUAL DIRECTOR'S REPORT ON THE EFFECTIVENESS OF SOCIAL CARE SERVICES 2015-2016**

The report, which detailed the key messages that had been identified in the preparation of the seventh Annual Director's Report on the Effectiveness of Social Care Services, was presented to the meeting of the Health, Social Care and Wellbeing Scrutiny Committee on 13th September 2016. After due consideration, it was recommended that the report be noted and be submitted to Council for adoption.

Members were advised that the process of compiling the report has been undertaken in accordance with the Annual Council Reporting Framework, and its aim is to provide a summary outlining the effectiveness of how CCBC delivers Social Services to its citizens. The report provides details on the Directorate's performance for 2015-2016 and the priority areas

for development in 2016-17. In 2015-16 the Directorate set itself a number of specific divisional priorities. The progress achieved in relation to these priorities is shown throughout the document (attached at Appendix 1 of the Officer's report).

The Directorate has also identified a number of priority areas for development in 2016-17, which are shown throughout the document and have informed the Directorate's Annual Service Plan for 2016-17. Following presentation to Council, the Annual Director's Report will be made available to members of the public, partner agencies and stakeholders. The report placed significant focus on the Directorate's preparation for the introduction of the Social Services and Wellbeing (Wales) Act 2014 (SSWBA), as well as highlighting a number of key issues which the Directorate dealt with in 2014-15 but remain significant issues moving forward.

Members were asked to note that this will be the last time that Directors of Social Services report performance/effectiveness in this way, as Part 8 of the Social Services and Wellbeing (Wales) Act 2014 sets out specific requirements in terms of the way that performance must be evaluated and reported moving forward. Statutory guidance relating to these new requirements were set out in Appendix 2 of the Officer's report.

During the course of the debate, Members thanked the Corporate Director of Social Services for his comprehensive report and placed on record their appreciation to all Social Services staff for the professional way in which they carry out their duties.

A Member referred to the increased demand on Social Services arising from improved life expectancy rates and queried the availability of resources to those in need. Members were given assurances that although the dynamics of social care have changed in that some services are now delivered in a different way, Social Services appropriately manage their resources to deliver them to those in need. Members were also advised that the introduction of the Social Services and Wellbeing (Wales) Act 2014 places greater emphasis on delivering resources to those in the greatest need, and that subsequently those with lesser needs may be redirected to alternative and more appropriate sources of support within their communities in the future.

A Member referred to the percentage of looked after children who have had more than 3 placements during the year and queried the measures being undertaken to reduce this figure. The Director of Social Services outlined the way in which these figures are calculated and explained that occasionally placements do fail due to a small number of particularly challenging young people. Members were given assurances that such cases are monitored and that relocations only take place when it is necessary to do so.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the report, the contents of the Annual Director's Report on the Effectiveness of Social Care Services 2015-2016 be noted and adopted.

## **12. ANNUAL LETTER FROM THE PUBLIC SERVICES OMBUDSMAN**

The report was presented to the Standards Committee on 27th September 2016. Members were provided with the Annual Letter (2015-2016) from the Public Services Ombudsman for Wales regarding complaints received and investigated by the Ombudsman. The data attached as an appendix to the Annual Letter included a detailed breakdown of complaints received and investigated and response times to requests for information.

Members noted that in relation to Caerphilly, the number of complaints received by the Ombudsman compared with the local authority average adjusted for population distribution is

slightly higher at 56 compared with 52. Whilst there was an increase in the number of complaints compared to 2014/15, none were taken to investigation. Additionally it was noted that there were no code of conduct complaints made against Members of Caerphilly County Borough Council during 2015/16. Members were asked to be mindful of the concerns of the Ombudsman regarding the potential for code of conduct complaints to increase in the run up to local elections. It was explained that the Annual Letter appended to the report was an amended version from the Ombudsman, arising from an error in the complaints data that had been attached to the original letter.

It was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the report, the contents of the amended Annual Letter as appended to the report be noted.

### **13. CO-OPTION AND MEMBERSHIP OF PARTNERSHIPS SCRUTINY COMMITTEE**

Consideration was given to the report, which had been presented to the Partnerships Scrutiny Committee on 15th September 2016. At that meeting, Members fully discussed the various options and combinations of possible co-option membership and agreed that co-opting from more diverse groups would provide a different perspective with regard to questioning and make the scrutiny of the Public Services Boards more balanced.

Members were advised that following debate by the Partnerships Scrutiny Committee, it was subsequently recommended to Council that Option 2 of the report be adopted, subject to an amendment in that a co-opted place be offered to a representative from an equalities organisation, a disability organisation and the Youth Council, in addition to the three named statutory partner agencies. The Committee also supported the report recommendation that any nominated co-opted members be subject to the Code of Conduct and be re-nominated every Council term (5 years).

It was moved and seconded that the recommendations in the Officer's covering report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the report:-

- (i) the three statutory partner agencies (Aneurin Bevan University Health Board, South Wales Fire and Rescue Service, and National Resources Wales) be invited to nominate a co-opted Member to the Partnerships Scrutiny Committee, and an additional co-opted place be offered to a representative from an equalities organisation, a disability organisation and the Youth Council, giving a committee membership of 16 Councillors, 6 co-opted members (3 statutory partner agencies and 3 others to be named) and up to 6 invited representatives;
- (ii) any nominated co-opted members be subject to the Code of Conduct and be re-nominated every Council term (5 years).

### **14. CAERPHILLY COUNTY BOROUGH LOCAL DEVELOPMENT PLAN UP TO 2021 – ANNUAL MONITORING REPORT 2016 (INCLUDING THE 2ND ANNUAL COMMUNITY INFRASTRUCTURE LEVY REPORT)**

Consideration was given to the report, which outlined the findings of the Caerphilly County Borough Local Development Plan 2016 Annual Monitoring Report and the implications of the recommendations contained therein.



This is the fifth Annual Monitoring report (AMR) to be prepared for the Caerphilly County Borough Local Development Plan (LDP) up to 2021 which monitors the period from 1st April 2015 to 31st March 2016. The Council is required to submit the 2016 AMR (including the 2nd Annual Community Infrastructure Levy Report) to Welsh Government by 31st October 2016 in order to satisfy the Council's statutory requirements. Additionally, the report sought approval to formally withdraw the Replacement Deposit LDP in line with LDP regulatory requirements.

The 2016 Report concluded that the plan continues to have positive effect on the overall environment and that substantial progress continues to be made in implementing the vast majority of the LDP. The Report recommended a number of actions by the Council, including continued progression against the delivery of the Adopted Development Plan, progression of the early preparation of the Strategic Development Plan for the Cardiff Capital Region in partnership with other local planning authorities, and addressing the shortfall in the 5-year housing land supply through proactive action as detailed in the Officer's report.

Members noted the Community Infrastructure Levy (CIL) revenue for 2015-2016 totalling £39,000, some of which has been apportioned to Town and Community Councils, and some utilised to cover the costs of preparing and implementing the CIL. The remaining revenue will be used to assist in funding appropriate infrastructure.

Members were also advised that following the decision of Council on 19th July 2016 to withdraw the Deposit Replacement LDP, it was subsequently determined that Ministerial approval for plan withdrawal is not presently a requirement of the LDP regulations, and that the decision to withdraw the Replacement LDP was a matter for the Council to determine. Members were therefore requested to pass an explicit resolution to formally withdraw the Replacement LDP in order to ensure the LDP Regulations are complied with.

During the course of the ensuing debate, clarification was sought on the way forward regarding possible funding to incentivise brownfield development, and the proactive action to be undertaken to address the shortfall in the 5-year housing land supply. It was explained that detailed discussions are ongoing between the Council, Welsh Government and neighbouring local authorities on these matters. A Member also referred to Technical Advice Note 1 (which requires local authorities to take steps to increase the supply of housing land) and raised concerns as to whether this could lead to sites outside the land settlement boundary being developed. Officers explained that any such applications (being a Planning Committee function) will be considered on their own merits in accordance with local and national planning policy and guidance.

Assurances were also given that the Council, together with other local authorities, are actively lobbying the Welsh Government in respect of local development, including the need for financial incentives to unlock brownfield sites and less viable sites within the county borough, and to reconsider the methodology used to calculate the 5-year housing land supply.

It was moved and seconded that the recommendations in the report be approved. By a show of hands (and in noting there were 3 abstentions) this was agreed by the majority present.

RESOLVED that for the reasons set out in the report:-

- (i) the findings of the 2016 Annual Monitoring Report and the implications of the recommendations contained therein be noted;
- (ii) the 2016 Annual Monitoring Report (Including the 2nd Annual CIL Report) be submitted to Welsh Government before the deadline of 31st October 2016;
- (iii) the Replacement Deposit LDP be formally withdrawn, in line with the requirements of Regulation 26 of the Town and Country Planning Local Development Plan (Wales) Regulations 2005 (as amended).

## **15. BOUNDARY COMMISSION FOR WALES 2018 REVIEW INITIAL PROPOSALS**

The report highlighted initial proposals by the Boundary Commission for Wales for the 2018 review of Parliamentary Constituencies. This review is being undertaken by the Commission with a view to recommending changes that are needed in order to comply with the relevant legislation which required that broadly speaking the number of electors in each constituency is equal, whilst also taking account of factors such as local communities. Consultation is currently underway on this matter, which will run until 5th December 2016.

Members noted the key requirements of the review as outlined in the report, which include proposals for a reduction in the number of constituencies across the UK. Within Wales, the number of constituencies allocated for the 2018 Review is 29, with the current figure being 40. These proposals will bring about a fundamental change to the existing pattern of constituencies in every part of Wales. Proposals for the creation of new Caerphilly, Merthyr Tydfil and Rhymney, and Blaenau Gwent constituencies and a list of the intended electoral wards to be assigned to each constituency were summarised within the report.

During the course of the ensuing debate, Members expressed a lack of support for these proposals. They raised concerns as to the impact of a reduced number of constituencies and MPs across Wales, and highlighted the geographical impracticalities associated with these proposals and the effect this could have on local communities. A query was also received regarding total electorate numbers across existing and proposed constituencies, with it confirmed that arrangements would be made to provide this information to Members.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the report, the initial proposals for the Boundary Commission for Wales 2018 Review, including the closing date for consultation responses, be noted.

## **16. QUESTIONS RECEIVED UNDER RULE OF PROCEDURE 10(2)**

There were no questions submitted under Rule of Procedure 10(2).

The meeting closed at 6.30 p.m.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 22nd November 2016, they were signed by the Mayor.

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MAYOR



## COUNCIL – 22ND NOVEMBER 2016

**SUBJECT: CORPORATE ASSET MANAGEMENT STRATEGY**

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

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- 1.1 The report, which was presented to the Policy and Resources Scrutiny Committee on 4th October 2016 and Cabinet on 19th October 2016, sought the views of Members on a Draft Corporate Asset Management Strategy, prior to its presentation to Council for approval.
  - 1.2 The report outlined that following a review of the Council's Asset Management (Land and Property) Strategy in 2013, Wales Audit Office (WAO) made 5 proposals for improvement, which included "developing a robust Asset Management Strategy for its property and associated infrastructure" and "developing and implementing arrangements to monitor the delivery of the strategy". In September 2014, the Policy and Resources Scrutiny Committee accepted that the development of a revised Asset Management Strategy should be delayed until the Council's financial position became clearer, a revised Medium Term Financial Plan (MTFP) was agreed and services could better plan for the future. Following discussion between the WAO and Officers at Audit Committee in December 2015, it was resolved that a Corporate Asset Management Strategy (CAMS) should be progressed.
  - 1.3 Members were advised that the Corporate Asset Management Strategy is an overarching document which aligns with the corporate aims of the Council. It identifies where the Council has appropriate individual service asset plans/strategies in place. Where such asset plans/strategies are not present, the challenge will be to determine whether those assets need supporting strategies and, if so, by when they can be delivered. The CAMS establishes a set of Principles, which are aligned to the Well-Being of Future Generations (Wales) Act 2015 and has developed a number of Outcomes, namely: Compliance, Condition, Suitability, Sufficiency, Accessibility and Sustainability. The expectation is that all individual council asset plans/strategies will reflect these Principles and Outcomes to ensure the effective implementation of the CAMS. Existing individual service asset plans/strategies will be reviewed and revised to align with these Principles and Outcomes.
  - 1.4 At the meeting of Cabinet, Members endorsed the CAMS.
  - 1.5 Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RECOMMENDED to Council that for the reasons contained in the Officer's report the Draft Asset Management Strategy be approved.

- 1.6 Members are asked to consider the recommendations.

Author: C.A Evans, Committee Services Officer  
Ext. 4210

Appendix: Report to Cabinet dated 19th October 2016

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## CABINET – 19TH OCTOBER 2016

**SUBJECT: CORPORATE ASSET MANAGEMENT STRATEGY**

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

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- 1.1 The attached report, which was presented to the Policy and Resources Scrutiny Committee on 4th October 2016, sought the views of Members on a Draft Corporate Asset Management Strategy, prior to its presentation to Cabinet and thereafter Council for approval.
- 1.2 Officers explained that following a review of the Council's Asset Management (Land and Property) Strategy in 2013, Wales Audit Office (WAO) made 5 proposals for improvement, which included "*developing a robust Asset Management Strategy for its property and associated infrastructure*" and "*developing and implementing arrangements to monitor the delivery of the strategy*". In September 2014, the Policy and Resources Scrutiny Committee accepted that the development of a revised Asset Management Strategy should be delayed until the Council's financial position became clearer, a revised Medium Term Financial Plan (MTFP) was agreed and services could better plan for the future. Following discussion between the WAO and Officers at Audit Committee in December 2015, it was resolved that a Corporate Asset Management Strategy (CAMS) should be progressed.
- 1.3 Members were advised that the Corporate Asset Management Strategy (attached in draft form at Appendix 1 of the Scrutiny Committee report) is an overarching document which aligns with the corporate aims of the Council. It identifies where the Council has appropriate individual service asset plans/strategies in place. Where such asset plans/strategies are not present, the challenge will be to determine whether those assets need supporting strategies and, if so, by when they can be delivered. The CAMS establishes a set of Principles, which are aligned to the Well-Being of Future Generations (Wales) Act 2015 and has developed a number of Outcomes, namely: Compliance, Condition, Suitability, Sufficiency, Accessibility and Sustainability. The expectation is that all individual council asset plans/strategies will reflect these Principles and Outcomes to ensure the effective implementation of the CAMS. Existing individual service asset plans/strategies will be reviewed and revised to align with these Principles and Outcomes.
- 1.4 During the course of the ensuing debate at the Scrutiny Committee, Members sought clarification on activities listed within the Draft Strategy to achieve the strategic outcomes. Officers explained that the Strategy is intended as an overview of planned actions to produce such outcomes and that detailed information should be found within the relevant individual service plan. Discussion took place regarding assets referenced in the Draft Strategy, including funding considerations associated with the 21st Century Schools Programme. A Member also suggested that the Strategy could provide an opportunity for review across a number of service areas (including opening times across civic amenity sites).
- 1.5 A Member referred to the lease of physical assets (such as football pitches) and expressed the need for a uniform/consistent approach across the Authority regarding the charges for such arrangements. Officers explained that detail of this kind (and as mentioned in paragraph 1.4 above) would not be expected to be included in an over-arching Strategy and suggested the proper place for this particular point of reference would be the forthcoming Income Generation Strategy.

- 1.6 Following consideration of the report, the Policy and Resources Scrutiny Committee unanimously recommended to Cabinet (and thereafter Council) that for the reasons contained therein, the Draft Corporate Asset Management Strategy as appended to the report be approved.
- 1.7 Members are asked to consider the recommendation.

Author: R. Barrett, Committee Services Officer, Ext. 4245

Appendices:

Appendix 1 Report to Policy and Resources Scrutiny Committee on 4th October 2016 – Agenda Item 9



## **POLICY AND RESOURCES SCRUTINY COMMITTEE – 4TH OCTOBER 2016**

**SUBJECT: CORPORATE ASSET MANAGEMENT STRATEGY**

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

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

- 1.1 To present to Members a DRAFT Corporate Asset Management Strategy for their consideration. The report is seeking the views of Members prior to its presentation to Cabinet and Council.

### **2. SUMMARY**

- 2.1 In September 2013 the Wales Audit Office (WAO) undertook a review of the council's Asset Management (Land & Property) Strategy and the Auditor General concluded the review by making 5 Proposals for Improvement which included:
- 2.2 Developing a robust Asset Management Strategy for its property and associated infrastructure, and Developing and implementing arrangements to monitor the delivery of the strategy.
- 2.3 P & R Scrutiny accepted the proposition in respect of these proposals that "...progress on the development of a revised Asset Management Strategy be delayed until such time that the council's financial position becomes clearer, a revised MTFP is agreed, and services can better plan. In essence the MTFP will become the driver for the development of the Asset Management Strategy".
- 2.4 Audit Committee resolved that a Corporate Asset Management Strategy should be progressed.

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

- 3.1 The Draft Corporate Asset Management Strategy identifies its links with the Council Priorities published in its Corporate Plan 2016/17.
- 3.2 The Strategy additionally links to the 7 national well-being goals of the Well-Being of Future Generation Act (Wales) 2015. That Act has been used to define the Principles adopted for the development of the Corporate Asset Management Strategy and they are:
- We will balance short term needs with the need to safeguard the ability to meet long term generational needs, where those long term needs are identifiable.
  - We will communicate what we are doing and the progress we have made.

- We will involve other persons in the development of our asset management strategies/plans to reflect the diversity of the people within the county borough.
- We will work with other public services bodies to deliver (where possible) both joint asset management solutions, and complementary goals.
- We will seek to improve the quality of our environment through good asset management by ensuring our resources are deployed effectively.
- Quality of life and fit for purpose assets will be our main consideration, within imposed financial constraints.

#### **4. THE REPORT**

4.1 In September 2013 the Wales Audit Office (WAO) undertook a review of the council's Asset Management (Land & Property) Strategy. This review was presented to Audit Committee on the 6<sup>th</sup> November 2013.

4.2 The Auditor General concluded the review by making 5 Proposals for Improvement which included:

P1: Develop a robust Asset Management Strategy for its property and associated infrastructure. The strategy should:

- Set out a vision for each type of asset that shows how it contributed to the council's priorities.
- Set targets for assessing progress including the condition and suitability of each asset.
- Describe an overall plan for implementing the strategy.
- Be approved by members.

P4: Develop and implement arrangements to monitor the delivery of the strategy.

4.3 At its meeting on 30<sup>th</sup> September 2014 P & R Scrutiny accepted the proposition in respect of both P1 & P4 that "...progress on the development of a revised Asset Management Strategy be delayed until such time that the council's financial position becomes clearer, a revised MTFP is agreed, and services can better plan. In essence the MTFP will become the driver for the development of the Asset Management Strategy".

4.4 Following discussions between WAO and Officers at its meeting on the 9<sup>th</sup> December 2015 Audit Committee agreed that a Corporate Asset Management Strategy should be progressed.

4.5 The Strategy should be used to align the corporate aims of the council with individual Service Strategies/Plans. Although the future of local government service provision looks less fluid than when the WAO delivered their review in 2013 the council still faces extreme financial pressures and developing strategies for the management of its assets still involves an element of crystal ball gazing. Nevertheless individual Service Strategies/Plans and their alignment to the Corporate Asset Management Strategy are the core of an effective Asset Management Strategy; however it is a two way process. The agreed vision for a service to succeed should identify the assets required over time. With that in place asset providers can:

- Match current provision with need.
- Identify gaps.



- Plan future asset investment and disinvestment that is part of delivering better service outcomes.

- 4.6 The Corporate Asset Management Strategy identifies where the council has appropriate service delivery strategies/plans in place; where it hasn't the challenge will be to determine whether those assets need supporting strategies and, if so, by when they can be delivered. It is important that members and officers understand that formal individual strategies should not be documented for the sake of "having a strategy" and also that developing a strategy is the start of the process and future management reviews of the currency of strategies are most important.
- 4.7 Despite not having a written Corporate Asset Management Strategy in place the council has been able to make significant contributions to the achievement of corporate priorities and outcomes via the management of its assets. For example the 21<sup>st</sup> Century Schools programme has seen huge improvements in the quality of our primary and secondary schools. Additionally the "State of the Estate Report" produced by Property Services, which is a part of this meeting agenda, summarises the impact the council's property rationalisation service strategy is having.
- 4.8 The Corporate Asset Management Strategy develops a number of strategic outcomes that are applicable to all asset types. These strategic outcomes will demonstrate the effective implementation of the corporate asset management strategy and are summarised as follows:
- COMPLIANCE: Ensuring assets comply with statutory and regulatory requirement.
  - CONDITION: Maintaining assets to a satisfactory condition to support service delivery.
  - SUITABILITY: Ensuring assets are fit for purpose.
  - SUFFICIENCY: Ensuring available assets meet current and expected service demands.
  - ACCESSIBILITY: ensuring assets are as accessible as possible to all service users.
  - SUSTAINABILITY: Maintaining assets to ensure maximum operational life and minimising the potential negative impact on the environment.
- 4.9 It is expected that all existing service asset plans/strategies will be reviewed and revised to accord with these outcomes.

## **5. EQUALITIES IMPLICATIONS**

- 5.1 This report links to several Equality Objectives namely:
- SE 03 – Physical Access
  - SE 04 – Communication Access
  - SE 05 – Engagement and Participation
  - SE 07 – Corporate Compliance

An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor negative impact has been identified, therefore a full EIA has not been carried out.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 Links have been made between the Corporate Asset Management Strategy and the council's Medium Term Financial Plan, although there are no direct financial implications associated with this report.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 There are no personnel implications associated with this report.

## **8. CONSULTATIONS**

- 8.1 The report reflects the views of the consultees.

## **9. RECOMMENDATIONS**

- 9.1 Scrutiny comment on the Draft Corporate Asset Management Strategy prior to consideration by Cabinet and a decision by Council

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

- 10.1 To ensure the views of Scrutiny are sought prior to a decision by Council.

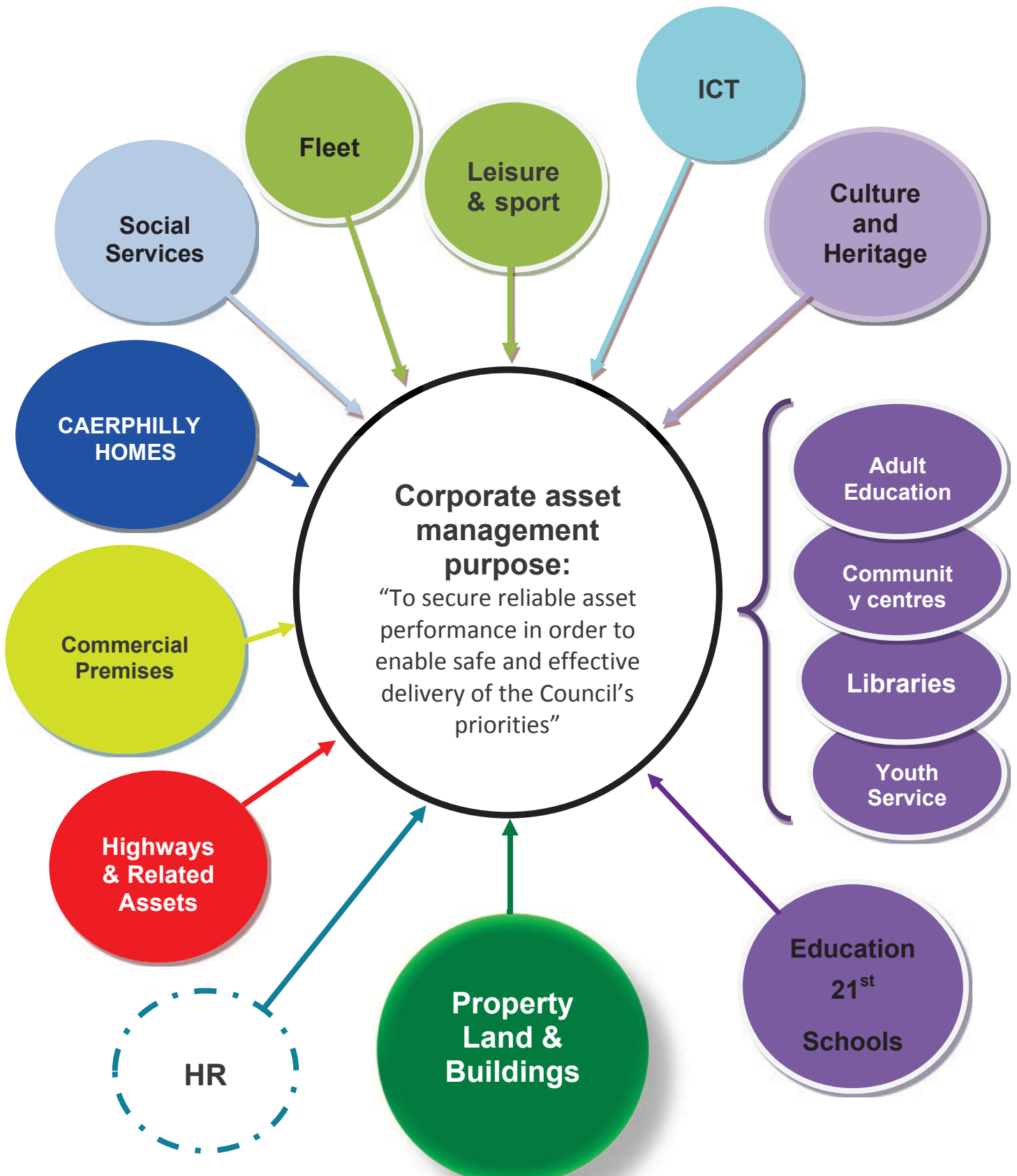
## **11. STATUTORY POWER**

- 11.1 Local Government Acts 1974-2000. Well-Being of Future Generations (Wales) Act 2015. This is a decision for Council.

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Consultees: Corporate Management Team  
Cllr D. Hardacre. Cabinet Member for Performance, Property and Asset Management

Appendices:  
Appendix 1 Asset Management Strategy 2016-2026

# CAERPHILLY COUNTY BOROUGH COUNCIL ASSET MANAGEMENT STRATEGY 2016- 2026



## Document Version and Change Control

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21/06/16	Include comments from Head of Community & Leisure Services	TJB
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23/09/16	Incorporate comments from Head of IT (Acting)	TJB

<sup>1</sup> O:\Property\~ Tim's folder\Drafts\Estates Planning

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Corporate Property Group  
 Ty Penallta  
 Tredomen Campus  
 Ystrad Mynach

Contact Officer: Colin Jones  
 Head of Property Services

## Introduction

This strategy outlines our vision and long term approach to improve the recognition, management and utilisation of our assets held in the name of Caerphilly County Borough Council. The primary aim is to support Council priorities, achieve service requirements and comply with statutory duties. The overriding theme of this Corporate Asset Management Strategy is set within the context of delivering the Corporate Plan and aligning with asset review recommendations.

## Section 1 | Background and Context

Caerphilly County Borough Council is the 5<sup>th</sup> largest authority in Wales in terms of geographic size and serves around 179,000 residents, although this is anticipated to grow to 189,00 over the next 10 years. It has a divergent demographic profile with a higher proportion of children and people of retirement age than Welsh averages. It has the second lowest employment rate in Wales and comparatively higher level of deprivation. The percentage of pupils entitled to free school meals (used as an indication of deprivation) runs at 21 per cent and is the sixth highest out of the 22 local authorities in Wales. Three quarters of the Council's 73 wards are in the 50 per cent most deprived areas of Wales, although the County does not have large concentrations of areas of very high deprivation compared with some other Welsh authorities.

The Council has 73 members and operates on a cabinet system with 9 portfolio holders. The organisation is the largest employer in the area with approximately 9,500 staff providing over 600 services. The Authority has a combined gross revenue and capital budget of over £562 million per annum. The Council has approximately 833 buildings including 92 schools in total, 19 Leisure centres and 18 Libraries. The Highways Service maintains a total length of 1,193 kilometres of road, 6 kilometres of The Monmouthshire and Brecon Canal and 27,150 columns of street lights. Our fleet services maintain over 500 vehicles providing a diverse range of services from meals on wheels to waste collection vehicles. As an organisation that uses considerable information technology, we support 4,500 devices and a further 10,000 devices for schools. Planning and Regeneration manages a commercial portfolio of more than 250 office and industrial properties in 16 locations across the County Borough, operates 5 visitor facilities (Llancaiach Fawr Manor House, Cwmcarn Forest Drive Visitor Centre & Campsite, Caerphilly Visitor Centre, New Tredegar Winding House Museum, and Blackwood Miners Institute), and 5 country parks (at Parc Cwm Darran, Parc Coed Tir Bargoed, Parc Penallta, Pen y Fan Pond and Sirhowy Valley).

The borough occupies some 28,000ha, taking in the three river valleys: Rhymney, Sirhowy and Ebbw. 80% of the County Borough is rural (5 country parks, 34 public parks and over 200 special interest sites.) The natural valley landscapes includes 200 peaks over 1,000 ft. (304.8m), 6 lakes and 50 rivers and waterways – providing an attractive backdrop for economic regeneration and a major opportunity for tourism and leisure developments.

## What is Asset Management<sup>2</sup>?

A web search for “asset management” will yield many results related to the management of investment and finance and a potentially confusing range of apparent variants related to physical assets. For example, strategic asset management, property asset management, facilities asset management, infrastructure asset management, enterprise asset management, and others seem to claim a special case or ‘difference’. The qualifying descriptors do not change the inherently consistent core, whatever the type or nature of the assets that are to be managed.

It is therefore helpful that the ISO 55000 standard has developed a well-considered definition for asset management (clause 3.3.1):

*“the coordinated activity of an organization to realise value from assets”*

and where an asset (clause 3.2.1) is an:

*“item, thing or entity that has potential or actual value to an organization”*

and the notes for the definition of asset management state that

*“realisation of value will normally involve a balancing of costs, risks, opportunities and performance benefits, and the term ‘activity’ has a broad meaning and can include, for example, the approach, the planning, the plans and their implementation.”*

ASSET MANAGEMENT IS MORE THAN DOING THINGS TO ASSETS - it is about using assets to deliver value and achieve the organisation’s business objectives. It also brings a different approach and way of thinking and a transformation of organisational alignment and culture. Each organisation has to determine what it considers value to be, and choose how to manage its assets to derive best total value.

Asset management is relevant to all types of organisation, whether they are large, small, private, public, government or not-for-profit. There is growing evidence from around the world that effective asset management can improve an organisation’s reputation and its ability to:

- operate safely.
- meet its regulatory and statutory obligations,
- evaluate future business strategies for the delivery of differing performance, cost and tolerable risk profiles, and
- significantly reduce the cost of managing assets over their lives

## What is an asset?

For the purposes of [Section 2 | Strategy Outcomes](#), “asset” relates solely to *material* assets, such as a ‘building’ or a ‘road’, having a life cycle to which a cost can be applied. We have included Human Resources (HR) to acknowledge the links between staff, agile working, and management of buildings; however, there is a range of HR strategies to support this ‘resource’ and, consequently, it is not included within Section 3.

## Our Principles

We expect that the individual strategies and plans that underpin this Corporate Asset Management Strategy will be pursued in accordance with the following principles<sup>3</sup>:

<sup>2</sup> Reproduced from ‘An Anatomy of Asset Management’ (Version 3 December 2015) © The Institute of Asset Management



- We will balance short term needs with the need to safeguard the ability to meet long term generational needs, *where those long term needs are identifiable*.
- We will communicate what we are doing and the progress we have made
- We will involve other persons in the development of our asset management strategies/plans to reflect the diversity of the people within the county borough
- We will work with other public services bodies to deliver (where possible) both joint asset management solutions, and complementary goals.
- We will seek to improve the quality of our environment through good asset management by ensuring our resources are deployed effectively.
- Quality of life and fit for purpose assets will be our main consideration, within imposed financial constraints.

This strategy has been developed after some service strategies have been formed; therefore the developing of the overarching strategy allows for all service strategies to be reviewed or new ones to be formed in line with our overall mutual ideology for the effective use of our assets.

## Outcomes

THE OUTCOMES ADOPTED FOR THIS STRATEGY, AND WHICH WILL BE APPLIED TO THE MANAGEMENT OF **ALL COUNCIL ASSETS** ARE:

**COMPLIANCE:** To ensure assets are safe for use and support service delivery assets must comply with statutory and regulatory requirements, as well as meeting appropriate best practice.

**CONDITION:** Assets must be maintained to ensure that they are in a satisfactory or better condition to support service delivery and achievement of corporate priorities.

**SUITABILITY:** Assets that are fit for purpose for current and future service delivery will be more effective in delivering the Council's priorities. Suitability is wider than asset condition as it also considers how well the asset is matched to current and planned service delivery requirements.

**SUFFICIENCY:** Council assets have to be sufficient for existing and future use, with capacity reflecting demand and user requirements. This element of asset management allows the council to plan to support service development, as well as identify any potential assets that are underused.

**ACCESSIBILITY:** To deliver services effectively to all members of the community, assets need to be reasonably accessible to everyone, especially those with physical and learning disabilities<sup>4</sup>.

**SUSTAINABILITY:** The Council's assets will be managed to ensure that their useful operational life meets expected life expectancy, as well as minimising the potential adverse impact on the environment. Sustainability should make sure that council assets are available to support ongoing service delivery in the long term.

These are addressed in more detail in [Section 2 | Strategy Outcomes](#)

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<sup>3</sup> In line with the Well-being of Future Generations Act (Wales) 2015, see Appendix A

<sup>4</sup> See Appendix B Foundation Standard – The Meaning of Accessible



## Council Priorities

The council has set eight priorities over four years 2013 to 2017 in consultation with the local community, partners, stakeholders and staff. These priorities represent the vital activities that the council will undertake in order to achieve better conclusions for Caerphilly County Borough.

The table below illustrates where the Corporate Asset Management Strategy directly contributes to a council priority.

Council Priorities	Corporate Asset Management Strategy
1. Peoples social care needs are identified and met in a timely and appropriate way	✓
2. Children and Adults are safeguarded from abuse	✓
3. Improve standards across all year groups particularly key stage 3 and 4	✓
4. Identify vulnerable groups of learners and develop interventions to ensure needs are met	✓
5. Reduce the gaps in attainment between pupils in advantaged and disadvantages communities	✓
6. Promote the benefits of an active and healthy lifestyle	✓
7. Invest in our Council Homes and their communities to transform lives	✓
8. Affordability – Deliver a medium term Financial Plan aimed at ultimately providing a period of stability that helps the authority to have a range of services in the future that are sustainable	✓

More explicitly, as asset management underpins almost all service delivery throughout the council, we will support the council's eight priorities in the following ways:

<b>Council Priorities 2014 to 2017</b>	
<b>Council Priority</b>	<b>Supporting Asset Categories</b>
1. Peoples social care needs are identified and met in a timely and appropriate way	<b>PROPERTY (ELDERLY)</b> – the council's operational property assets include care homes, housing for the elderly, sheltered housing and community facilities that are used by older people. Ensuring these facilities are safe fit for purpose, investing in new facilities and supports the delivery of services aimed at improving the quality of life for older people.
2. Children and Adults are safeguarded from abuse.	<b>PROPERTY – Pan Gwent</b> – we are working with others including housing associations to set up a women refuge. <b>PROPERTY/EDUCATION</b> - venues such as libraries are regarded by adults and children as safe community spaces.
3. Improve standards across all year groups particularly key stage 3 and 4	<b>PROPERTY/EDUCATION</b> – council investment in the condition, sufficiency and suitability of the school estate helps to maintain an effective learning environment; investment in library buildings extends this supported learning environment to accessible community locations. <b>HIGHWAYS AND RELATED ASSETS</b> – investment in this area ensures safe routes to schools and the maintenance of school playgrounds. <b>OPEN SPACES</b> – open space investment ensures our school playing fields are maintained and improved where necessary to support play and education provision. <b>ICT</b> – ICT investment plays a significant role in supporting education across all learning environments, including schools. Technology skills gained through use of ICT equipment are crucial to enabling positive future destinations and compliance with the Digital Competence Framework.
4. Identify vulnerable groups of learners and develop interventions to ensure needs are met	<b>PROPERTY / EDUCATION</b> - Maintaining Trinity Fields school and pupil referral units. Improvements to library buildings assist pupils in disadvantaged communities. <b>ICT</b> – provision of ICT facilities across the network assists pupils in disadvantaged communities.

## Council Priorities 2014 to 2017

Council Priority	Supporting Asset Categories
5. Reduce the gap in attainment between pupils in advantaged and disadvantaged communities	<p><b>PROPERTY</b> – the council’s 21<sup>st</sup> Century Schools programme is well advanced with modern, high specification buildings and facilities being provided in some of the most deprived areas of the county borough.</p> <p><b>ICT</b> – ICT investment plays a significant role in supporting education across all learning environments, including schools. Technology skills gained through use of ICT equipment are crucial to enabling positive future destinations and compliance with the Digital Competence Framework.</p>
6. Promote the benefits of an active and healthy lifestyle	<p><b>PROPERTY</b> – property assets that provide accommodation for services that enable our communities to make healthy lifestyle choices to improve citizens’ quality of life, both in terms of information and opportunities.</p> <p><b>HIGHWAYS AND RELATED ASSETS</b> – “Active Travel” investment, road safety ETP and national standards cycle training promote an active and healthy lifestyle.</p> <p><b>OPEN SPACES</b> – assets within this category provide a variety of leisure, community and sporting facilities. The improvement of open spaces and public areas has a direct link with residents’ perceptions of Caerphilly County Borough and provides diversionary activities for young people.</p> <p><b>WEB PRESENCE</b> – Leisure Lifestyle and Health Challenge Caerphilly websites offering facilities and advice.</p>
7. Invest in our Council Homes and their communities to transform lives	<p><b>HOUSING</b> – the council’s housing stock provides good quality affordable housing.</p>
8. Affordability – Deliver a Medium Term Financial Plan [MTFP] aimed at ultimately providing a period of stability that helps the authority to have a range of services in the future that are sustainable.	<p><b>Property</b> – Having a fit for purpose property portfolio with the corporate landlord taking a ‘strategic view’ on usage of properties will continue to deliver savings by rationalising our property stock where it is relevant to do so.</p> <p><b>HIGHWAYS AND RELATED ASSETS</b> – maintenance of a safe public highway network prevents costs through minimising claims; specifically, LED lighting delivers a longer life/lower energy alternative, and road surfacing treatments extend the life of the highway.</p> <p><b>PLANNING &amp; REGENERATION</b> – rental income from the industrial and commercial portfolio will contribute to the MTFP</p>

## Statutory

The **Well Being of Future Generations Act (Wales) 2015**, introduced by the Welsh Government, will change the way public service plans and works. *The purpose of the Act is to ensure that the governance arrangements of public bodies for improving the well-being of Wales take the needs of future generations into account.*

It is designed to improve the economic, social and environmental well-being of Wales in accordance with sustainable development. It is about encouraging public bodies to think more about the long-term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach in accordance with the 7 national well-being goals.

The goals and their definitions are in greater detail shown in Appendix A

To demonstrate we have met our statutory duty to carry out sustainable development there are **5 ways of working** that will demonstrate this. They are:

1. Looking to the **long term** so that we do not compromise the ability of future generations to meet their own needs;
2. Taking an **integrated** approach so that public bodies look at all the well-being goals in deciding on their priorities;
3. **Involving** a diversity of the population in the decisions that affect them;
4. Working with others in a **collaborative** way to find shared sustainable solutions;
5. Understanding the root causes of issues to **prevent** them from occurring

The national guidance for applying the 5 ways of working also identifies the **management of assets** as one of seven core organisational activities, and applying the requirements of the Act to those activities is regarded as most likely to secure the change needed.

Additionally, The White Paper **Reforming Local Government: Power to Local People** published in February (2015) included specific proposals for greater community participation and transferring of assets to communities who wish to take on these assets. These are known as Community Asset Transfers (CAT). The financial pressures across Wales make this an attractive proposition to Welsh Government. At present public services are not obliged to transfer their assets. The white paper proposes that eligible community bodies can initiate a transfer for an asset from local authority to community ownership. It is the white paper's view that this may lead to sustainable long term use of property assets and there will be greater potential for innovation. It is advised that this should not be seen as a way to dispose of surplus assets but to be viewed as an opportunity to help develop the community, with the ultimate aim of 'community empowerment'.

The Council is also an active member of the National Assets Working Group (NAWG), which supports the national drive to involve the community and other public/voluntary organisations in the future management of its assets. Community Asset Transfer (CAT) will be supported wherever appropriate.

### The 7 national well-being goals:

- ↳ A sustainable Wales
- ↳ A prosperous Wales
- ↳ A healthier Wales
- ↳ A more equal Wales
- ↳ A Wales of cohesive communities
- ↳ A Wales of vibrant culture and thriving Welsh language
- ↳ A globally responsible Wales

*However, whether groups exist that want to take on the responsibility of managing an asset remains to be seen, but it is an aspect that must be considered within long term property and land use proposals of our assets.*

We will also use the newly formed Public Service Board as a conduit for discussion with other public bodies to open discussions around sharing facilities.

## Financial

The financial outlook continues to be difficult and on top of significant savings already delivered in recent years, the Council has been working hard to identify further substantial savings to enable balanced budgets to be delivered for 2016/17 and 2017/18. To ensure our MTFP can deliver savings we have developed and consulted on guiding precepts with the public, endorsed by members, to help structure how we will make those efficiency savings. Our tenets are to safeguard jobs and the services we provide, to try to reduce rather than remove and to protect front line services wherever possible looking at new ways of delivering service.

THE CORPORATE ASSET MANAGEMENT STRATEGY WILL SUPPORT THESE DETERMINANTS.

In times of financial uncertainty it can be difficult for services to plan, and know what assets are needed for delivery but this strategy is predicated upon a consistent, corporate & strategic approach to the management of the various assets, consolidating resources, eliminating duplication, improving efficiency, procurement and the establishment of corporate property standards.

## Where are we now?

This strategy looks at the long term (taken as 10 years although good practice suggests 25 years); when the population assessment is completed we will use that to review the longer term but we will need to do more in order to take a more integrated approach to deciding joint priorities with other organisations. Involving a diversity of the population occurs in some areas such as leisure consultations and working with schools but we will need to widen this out and make more conscious decisions particularly with finding collaborative asset solutions with other public sector organisations. Root causes of asset management challenges are understood but the prevention of issues or building on asset strengths is an area that needs to be further developed.

The Corporate Asset Management Strategy links to the Council's priorities and helps services understand that in a time of severe financial constraints their vision has to be consistent with the council's ability to maintain its asset base.

It reminds asset users that, in developing their own service strategies/plans, the asset providers are key stakeholders; in cultivating a more co-ordinated approach, with its consequential move away from "silo mentality"<sup>5</sup>, appropriate service strategies will set out agreed visions in accordance with the doctrine of this document, detailing whether the current assets meet both current and future need, and identifying any necessary corrective actions.

Thus, the Corporate Asset Management Strategy provides a snapshot of various services, governance arrangements, summaries of the various services and their related asset categories; it incorporates all physical assets owned and leased by the council, including significant land based assets such as roads, open space, housing and

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<sup>5</sup> Under such circumstances, there may be minimal consideration as to whether the council's assets are fit for purpose *at a strategic level*

property, together with all equipment, plant and vehicles, as the council invests significant revenue and capital funds to ensure a wide range of assets are available to maintain service delivery. These budgets provide resources to support asset management activities and detailed funding information for each asset category is included within the individual asset management plans. It identifies also where the council has appropriate service delivery strategies/plans in place; where it hasn't, the challenge will be to determine whether those assets need supporting strategies and, if so, by when they can be developed.

The document has been produced to signpost readers to supplementary service delivery strategies and/or plans; it shows how assets classes contribute toward the overall Strategy, helping the Council meet its key priorities as, due to the large and diverse nature of the council's asset portfolio, nearly every citizen, visitor, employee and organisation in Caerphilly County Borough will have access to the council's assets, be it schools, parks, roads and bridges, or the council's website.

Therefore, further information on target customer groups will need to be provided in individual asset management plans that are appropriate of an effective Asset Management Strategy. The agreed vision for a service to succeed should identify the assets required over time. With that in place, asset providers can

- ➔ match current provision with need,
- ➔ identify gaps and
- ➔ plan future asset investment and disinvestment that is part of continuously improving service delivery.

## Service Strategies

It is important to note that not only should formal individual strategies *not* be documented for the sake of "having a strategy" but also writing a strategy is the start of the process and future management reviews of the currency of strategies are most important.

Despite not having a written Corporate Asset Management Strategy in place the council has been able to make significant contributions to the achievement of corporate priorities and outcomes via the management of its assets. For example the 21st Century Schools programme has seen huge improvements in the quality of our primary and secondary schools. Additionally the "State of the Estate Report", produced by Property Services, summarises the current impact of the council's property rationalisation strategy.

### Property (Land & Buildings):

The Council owns and maintains 833 buildings on 364 sites (as at February 2016). Overall the council controls some 8,500 acres of land and buildings having a total net book value of £717m (as at March 2015). **The service has a developed Asset Management (Land & Property) Strategy**, the key priorities of which are:

- Develop a 5 and 10 year vision for property assets via the proposed Asset Management Group and communicate the strategy and vision across the authority. Potential options identified include:
  - Reduce the portfolio through space optimisation.*
  - Reduce the portfolio through service remodelling.*
  - Reduce the portfolio through shared use with both internal and external services.*
  - Convert freehold to leaseholds.*
  - Promote Community engagement through Community Asset Transfer.*
  - Reduce costs through energy efficiency improvements.*



- Establish a corporate Asset Management Group, with a Landlord/Tenant arrangement where Property Services acts as a Landlord and all building/land users are tenants and the property budgets are transferred to Property Services.
- Promote a phased transfer of all property into a central corporate portfolio together with, where appropriate, directorate personnel employed to manage property matters. The transfer commenced with Corporate Services and Social Services in April 2012. Reactive maintenance would be centralised and a framework of suppliers created.
- Produce individual Service Asset Management plans through regular asset management meetings with directorate management teams to ensure property provision is planned in a holistic way.
- The plans will link with service strategies (e.g. Community Asset Transfer planning).
- Ensure the 3 year Capital Asset Strategy is linked to the council's Medium Term Financial Plan.

## Education and Lifelong Learning

### *Schools:*

The schools estate comprises 14 secondary schools, 75 primary schools, 1 special school and a pupil referral unit (The Learning Centre). The Directorate manages a range of school place planning strategies, together with the Welsh Government's 21<sup>st</sup> Century schools programme, as well as managing an annual schools capital programme.

**School Asset Management Plans and School Places Plans are updated periodically and reported to Scrutiny Committee.** The key priorities are:

- Challenges faced from reduced financial resources.
- The need to reduce surplus places within our schools, with a particular focus on secondary schools. The replacement of Oakdale and Pontllanfraith comprehensive schools with the new Islwyn High school will assist this process.
- An increase in the projected Primary school pupil population is resulting in a reduction in surplus places.
- Significant challenges to future school place planning presented by the Council's Local Development Plan (LDP) proposals to 2031.

### *Library Service*

There are 18 Libraries offering a wide range of facilities and community networks. 13 are purpose built with 4 of these being located within or alongside other community facilities. The remaining 5 are conversions of existing buildings. Customer services provision is co-located within 5 libraries.

**The Service is working within the 2014-2017 Welsh Government Public Library Standards Framework**, which includes a number of new assessment areas with a focus on outcome and qualitative measures in addition to more traditional standards of attainment

This 5<sup>th</sup> Framework assists the Authority in working toward its Strategic Equalities Objectives, in particular:

- Strategic Equality Plan SEO 3- Physical Access
- Strategic Equality Plan SEO 4- Communication
- Strategic Equality Plan SEO 5- Engagement and Participation

It also links closely with 'Libraries Inspire: The strategic development framework for Welsh libraries 2012-2016'.

### *Community Centres*

There are 38 community centres in the supported network of which 3 are not in Council ownership. A range of other community facilities make use of these centres.

In 2014, Members endorsed a proposal to establish a Working Group to further examine reducing the network of community centres, offering suitable centres to local groups via asset transfer. This group has established that the current model is working well, but that opportunities for rationalisation should be considered as appropriate.

### *Youth Service*

This is a statutory education provider, comprising over 200 staff and engaging with approximately 20% of the target population annually. These services are provided in a variety of ways by the Authority and in partnership with other providers.

Youth Work is provided directly by the Authority through a network of 28 youth clubs (a combination of locations including school sites, community centres and dedicated facilities) and predominantly externally funded projects that are aligned with and supported by a youth service curriculum.

*The absence of a formal strategy is not evidence of the absence of good planning and a mature service might well be termed to be in a stable and steady state<sup>6</sup>.*

*Is there a strategy for the future?*

### *Adult Education Service*

There are six Adult Education Centres of which one is leased and not owned by the council. One centre is based on a comprehensive school site and two co-locate with the youth service.

*As previously noted, absence of evidence is not evidence of absence.*

*Is there a strategy for the future?*

### **Information Communication and Technology (ICT):**

The service provides a complex range of services that delivers the organisation's day to day business technology requirements, including the implementation and support of all hardware, network, telecommunications and business software applications, as well as actively supporting the implementation of new technologies to aid service delivery and service improvement across the business. The service supports approximately 4,500 corporate devices and a further 10,000 school devices as well as some 150 different software applications. The service receives on average over 330 support calls per day.

Although not part of our assets, IT Services provide data centre hosting services for Newport City and Blaenau Gwent Councils, running their Payroll & HR services.

IT provision will be integral to the implementation of agile working.

A new ICT strategy that includes the Authority's approach to enhancing its current digital solutions is currently being drafted.

### **Community and Leisure Services**

#### *Fleet Management*

**is working towards a 'managed service' which will see a contract with external companies to provide and replenish our vehicle requirements that will keep our vehicle stock current.**

We collaborate with Blaenau Gwent and Torfaen Councils for Driver Certificate of Professional Competence (CPC) Periodic Training.

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<sup>6</sup> "Absence of evidence is NOT evidence of absence"



Currently, it is a full cost recovery service with turnover of over £4million primarily in relation to fuel, external vehicle hires, leasing and fleet management services and support. The council has approx. 500 vehicles. Current management of assets are focused on adjusting working practises to changes in legislation, such as ensuring alternative methods of compliance to be put in place, as safety nets have been removed as the DVLA move to web based systems.

#### *Parks & Bereavement Services*

manages 104 equipped playgrounds, 10 kick walls, 20 youth shelters, 11 skate parks, 2 outdoor gyms and 31 multi use games areas (MUGAs). Five of these playgrounds retained RoSPA<sup>7</sup> Play Safety Awards during 2015 -16. The service manages a number of formal sports pitches across the borough which includes rugby and football pitches (including dual use), cricket, bowling greens, tennis courts and an athletics track.

The service has three parks (Morgan Jones Park, Caerphilly, The Wern in Nelson and Waunfawr Park, Crosskeys) that have been recognised as places of excellence and awarded Green Flag status, as well as 25 other municipal parks across the county borough.

In addition, it oversees the provision of some 80 allotments across the county borough, under the management of two federations (the Rhymney Valley Allotment Federation and the Caerphilly East Allotment Federation).

#### **The strategy is to maintain current standards through prudent use of resources.**

The service, which operates under, and currently has an ICCM<sup>8</sup> bronze award for, the 'Charter for the Bereaved', also manages ten municipal cemeteries, which cover circa 29 hectares of land across the county borough. The service deals with circa 800 interments a year and five of these cemeteries have been successfully extended over recent years (Abercarn, Danygraig, Rhymney, Gelligaer and Bedwellty). There are two chapels located within these cemeteries, one of which is operational and available to the public to use for services prior to an interment.

#### **Parks & Bereavement Services is bidding to secure land within the Caerphilly basin to develop an 11<sup>th</sup> site, as well as undertaking further extensions at Brithdir, Bedwas, Rhymney and Bedwellty cemeteries over the coming years.**

#### *Leisure Services*

has 11 leisure centres, eight of which are located on school sites. The Council has undertaken a detailed condition survey of its 11 leisure centres rating three as good, five as satisfactory and three as poor. We have estimated that the yearly maintenance cost of our leisure centres is £3.3 million.

The authority is currently working on an overarching strategy for sport and leisure. When completed, later in 2016/17, this document will set out a strategic vision for the future provision of sport and leisure services as well as addressing issues around the buildings and other facilities required to effectively deliver that strategy.

#### *Waste Resource Management and Street & Environmental Cleansing*

are key frontline functions, and revolve around the following:

- The industrial-scaled Waste & Recycling Transfer Station at Full Moon, Cross Keys receives the municipal waste collected by the Authority's collection vehicles every day of the working week. Its annual through-put is 50,000 tonnes.

<sup>7</sup> The Royal Society for the Prevention of Accidents

<sup>8</sup> The Institute of Cemetery & Crematorium Management

- Six (staffed) Civic Amenity /Household Waste Recycling Centres (under NRW permit) that are open to the public all year round and operate on weekends.
- A network of infrastructure in the form of (several thousand) litter bins, public 'on the go' recycling facilities, and bin storage compounds.  
This infrastructure is in use 24 hour 365 days per year.
- Five Public Conveniences are presently operated and maintained.

As part of its regulatory function in respect of Old Waste Disposal Sites, the service is maintaining a landfill site (regulated by a NRW permit) that hosts an operational flare stack, together with a micro generator harnessing the methane gas reserve and generating energy for the National grid.

The absence of any formal strategy for this service is not evidence of the absence of good planning and it is considered to be in a stable and steady state

## Highways, Transportation & Engineering

Highway assets deteriorate slowly; we have an established Highways Asset Management Plan, in respect of which we make an annual status report.

The impact of any given level of investment cannot be shown in the short term; our yearly report includes 20-year forecasts to enable decisions to be taken with an understanding of their long term implications.

In April 2016 the value of the Highway asset, gross replacement cost was £3.424bn and depreciated replacement cost was £3.218bn. An annualised depreciation<sup>9</sup> of £17.2m was calculated.

As at 1<sup>st</sup> April 2016, the road length of public highways in the County Borough was 1,169.20km, with a further 98.2km of surfaced footpaths, and 66.1km of purpose-built Cycleways.

The extent of the Highways asset can be indicated by summarising some other figures on the main asset categories and services provided:

- 27,150 street lights
- 2,624 (illuminated), and some 6,000 (non-illuminated) signs
- 32,000 gullies
- 71 signalized junctions/crossings
- 1,250 per annum planning applications
- 68km of cycle routes
- 1,675 culverts (up to 900mm diameter)
- Some 420km of road networks salted and gritted during severe weather conditions,
- 862 permanent salt bins, plus 17 seasonal bins
- 112 Road Bridges
- 90 Footbridges
- 22 “Unusual” Structures
- 625 Retaining Walls
- 1 Height, Sign and Signal Gantries
- 246 Culverts (over 900mm diameter)
- 13 Subways

## Caerphilly Homes

There are currently 10,862 council owned houses and 991 garages. We let on average 1161 houses p.a. (total properties let between 01/04/14 – 31/03/15). There are 34 sheltered housing schemes, 1 extra care scheme and 17 recognised tenants and residents associations. We also provide services to 417 leaseholders.

<sup>9</sup> Annualised depreciation is the average amount by which the asset will depreciate in one year if there is no investment in renewal of the asset.

Road Length of Public Highways (km)		
	Urban	Rural
A Trunk	0.00	4.50
A County	30.40	66.2
B	52.30	11.3
C	76.30	76.1
Minor	688.9	163.2
Total	847.90	321.30
Total Surfaced Roads	1,169.20	

## **Our strategy to deliver to the Welsh Housing Quality Standard (WHQS) on 10,862 houses by 2019/20 is**

- 1st. Through a combination of in-house staff and external contractors; and
- 2nd. Through coordination with other programmes and initiatives to tackle the social and economic challenges on the council's estates.

This is a multi-million pound annual capital programme (2015/16 is £36m, £200m up to 2019/20) will be delivered by Housing Repairs (consisting of 143 members of staff, including 114 multi-trade maintenance operatives, with an annual turnover of £7.2 million). There is a further budget of some £2.74m, which relates to response projects and uses external contractors where necessary.

### **Human Resources**

Cabinet, at its meeting on 27<sup>th</sup> July 2016, agreed the Council's HR Strategy 2016 – 2020. The council employs almost 9,000 people and is one of the biggest employers within the Borough and the scale of that asset should be acknowledged in the context of a Corporate Asset Management Plan

As the Council makes better use of its premises, including downsizing or making more efficient use of its existing space, the need to promote and encourage a culture of agile working can assist the council to achieve its priority of affordability.

A cultural change to work in a more agile way will impact on staff and require new ways of thinking; trust for example, will become a more important value. Agile working could mean less staff needed in a premises, which could result in smaller property needs or more transient work stations and a smaller 'travel to' population would support the carbon reduction agenda, as well releasing car parking space.

This is an area that requires excellent joined up working for all parties to work through areas such as IT provision, consideration of space, and capacity planning in addition to the 'softer' areas such as culture, and trust,.

### **Planning & Regeneration**

#### *Commercial Development*

We have a two-pronged responsibility under this heading:

- ✓ Business Support & Funding (Industrial and Office Property Portfolio)
- ✓ Urban Renewal

#### Business Support & Funding (Industrial and Office Property Portfolio)

We are responsible for marketing some 92 acres of development land at Oakdale.

We also manage a Council-owned portfolio of more than 250 office and industrial properties in 16 locations across the County Borough; most are let to private sector tenants on fully repairing leases. The exceptions to this are on the Tredomen campus, comprising:

- ➔ Tredomen Business & Technology Centre,
- ➔ Tredomen Innovation & Technology Centre, and
- ➔ Tredomen Gateway

Offices within these buildings are let as managed units, with some occupied by Council Services.

Given that the responsibility for maintenance of most of the portfolio rests with the occupier, annual costs are relatively low, with a budget for 2016-17 set at £186,000

for general maintenance and a further £40,000 to maintain the communal areas on the estates.

Occupancy rates, as at 1<sup>st</sup> September 2016, stand at nearly 98% with only two number 5,000ft<sup>2</sup> industrial units available in Oakdale and two number offices available in Tredomen Gateway.

Overall, estimated income for the portfolio in 2016-17 is £2,242,000.

A high occupancy rate, coupled with long waiting lists (especially for small industrial units), drives **our vision of working with private sector developers and landowners to bring forward more small industrial and office premises in locations across the County Borough** (as well as ensuring that any future applications for large scale regeneration and economic development funding includes support for buildings of this type)

### Urban Renewal

We are concerned primarily with the physical aspects of urban regeneration, concentrating on town and village centres.

We also administer a small number of Commercial Improvement Grants to local businesses for improvements to shop fronts.

We have levered in substantial public and private sector funding for the regeneration of Bargoed including a retail development in which we took a head lease of 7 number retail units to 'underwrite' the development. Our initial strategy was to let the units and sell on the investment but, recognising the limited marketability of such a lease in the current economic climate, we have repurposed our model to address revenue growth over the term of our lease.

These are mature services, in a stable and steady state; the absence of a formal strategy is not evidence of the absence of good planning; **recognising that budgets will be increasingly under pressure, our strategic plan is to generate income from our portfolio.**

### *Culture and Heritage*

The Destination & Events Unit is responsible for both marketing the county borough and developing its Destination Attractions (including the Museums & Heritage Service). We operate 5 visitor facilities:

- ➔ Llancaiach Fawr Manor House
- ➔ Cwmcarn Forest Drive Visitor Centre & Campsite
- ➔ Caerphilly Visitor Centre
- ➔ New Tredegar Winding House Museum
- ➔ Blackwood Miners Institute

Annual property related running costs for the five facilities are in the region of £381,000 (2015/16).

The asset base ranges across modern buildings (such as Cwmcarn Forest Visitor Centre with a high BREAM<sup>10</sup> rating), older buildings such as Blackwood Miners' Institute (built in the 1920s) and Llancaiach Fawr Manor House (built in the 16<sup>th</sup> century). We have

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<sup>10</sup> The **Building Research Establishment Environmental Assessment Method**, first published by the Building Research Establishment in 1990, is the world's longest established method of assessing, rating, and certifying the sustainability of buildings

recently levered £1m of grant funding from the Heritage Lottery Fund to undertake a project at Llancaiach Fawr Manor, allowing access to a third floor within the building.

Our primary goal is to improve local employment opportunities including access to opportunities across a wider geographical area, and our specific business objectives are:

- To increase the number of tourists visiting Caerphilly County Borough.
- To enable all people to be creatively active

These support the strategic direction of the Regeneration Programme, 'The Smart Alternative', and are discussed in greater detail in our Service Improvement Plan

**Our strategic plan is to develop a 'Destination Management' framework that identifies Culture and Heritage as a key product experience that the county borough has to offer visitors.**

### *Country Parks*

In addition to country parks at Parc Cwm Darran, Parc Coed Tir Bargoed, Parc Penallta, Pen y Fan Pond and Sirhowy Valley, the Service manages a National Nature reserve, several former coal tips, and other bodies of water used for a range of purposes but are primarily geared towards recreation, biodiversity and landscape management. Much of the portfolio is associated with former collieries and, totalling over 2,500 acres, within this diverse asset base are a number of visitor facilities (and associated infrastructure), listed buildings, and other structures.

Core budgets facilitate the management and maintenance of these sites although we have successfully levered considerable sums in grant assistance, both capital and revenue, to supplement these budgets.

Ours is a mature service, in a stable and steady state; the absence of a formal strategy is not evidence of the absence of good planning; **recognising that budgets will be increasingly under pressure, our strategic plan is to use sites to generate income from our portfolio.**

We have either management or development plans in place for the main sites, varying in detail by facility and use. For example:

- ✓ Parc Cwm Darran is Green Flag accredited and the management plan reflects mainly visitor use,
- ✓ Aberbargoed National Nature Reserve has detailed specific land management regulations for bio diversity
- ✓ Several of the reservoirs are subject to control and management through the Reservoirs Act 1975.
- ✓ Public Rights of Way (over 500 miles of them), are primarily managed through the Rights of Way Improvement Plan; these tend not to be owned by the authority.

We undertake the majority of management in-house, because we have the expertise although some specialist works are out sourced.



## Ownership and Scope of the Strategy

The Director of Corporate Services is the owner of the Corporate Asset Management Strategy and is responsible for effective and efficient asset management at a corporate level.

In support of the Director role, each asset category has an Asset Lead Officer with the following areas of responsibility:

- Preparing asset management plans where appropriate
- Coordinating business cases for investment
- Performance monitoring and management
- Monitoring resource deployment

Asset Lead Officers are either Heads of Service or directly report to a Head of Service to ensure that day-to-day management responsibilities are clear and that delegated decision-making is undertaken at the appropriate level. The Asset Lead Officers are as follows:

Asset Lead Officers		
Asset Category	Responsible Officer	Strategy in Place
Property	Head of Property	Yes
Schools	Assistant Director - 21 <sup>st</sup> Century Schools	Yes
Library Service	Senior Manager (Library & Community Centres)	Yes
Community Centres	Senior Manager (Library & Community Centres)	No <sup>11</sup>
Youth Service	Senior Community Education Manager	No
Adult Education	Senior Community Education Manager	No
Highways & Related Assets	Head of Engineering Services	Yes
ICT	Head of ICT	Yes
Fleet	Head of Community & Leisure Services	
Leisure Services	Head of Community & Leisure Services	
Open Spaces (Parks and playgrounds)	Head of Community & Leisure Services	
Housing	Head of Housing Services	Yes (WHQS)
Human Resources	Head of Human Resources	Yes
Commercial Development	Head of Regeneration and Planning	No
Cultural and Heritage	Head of Regeneration and Planning	No
Open Spaces (Country Parks)	Head of Regeneration and Planning	No

<sup>11</sup> Service was reviewed by a Member task and finish group in 2015

## Section 2 | Strategy Outcomes

As noted, the council's vision for corporate asset management is to manage assets efficiently and effectively to support the achievement of corporate priorities and outcomes. Good asset management provides appropriate structures and governance arrangements to ensure assets are utilised appropriately in support of service delivery. In the current financial climate, it is also important that resources are prioritised to ensure investment has the biggest and most positive impact for the local community.

To demonstrate that assets are being managed efficiently and effectively, a number of performance measures will be monitored for each asset category. Specific performance indicators will be incorporated into individual asset management plans; however there are a number of strategic outcomes that are applicable to all asset types. These strategic outcomes demonstrate the effective implementation of the corporate asset management strategy and can be summarised as follows:

- **COMPLIANCE:** ENSURING ASSETS COMPLY WITH STATUTORY AND REGULATORY REQUIREMENTS.
- **CONDITION:** MAINTAINING ASSETS TO A SATISFACTORY CONDITION TO SUPPORT SERVICE DELIVERY.
- **SUITABILITY:** ENSURING ASSETS ARE FIT FOR PURPOSE.
- **SUFFICIENCY:** ENSURING AVAILABLE ASSETS MEET CURRENT AND EXPECTED SERVICE DEMANDS.
- **ACCESSIBILITY:** ENSURING ASSETS ARE AS ACCESSIBLE AS POSSIBLE TO ALL SERVICE USERS.
- **SUSTAINABILITY:** MAINTAINING ASSETS TO ENSURE MAXIMUM OPERATIONAL LIFE AND MINIMISING THE POTENTIAL NEGATIVE IMPACT ON THE ENVIRONMENT.



## OUTCOME 1: COMPLIANCE

### Purpose

To ensure assets are safe for use, and support service delivery, assets must comply with statutory and regulatory requirements, as well as meeting appropriate best practice standards.

### Activities

The main activities that will be undertaken between 2013 and 2017 are:

- Responsibility and accountability for Statutory Testing of council owned/managed buildings to be transferred to Property Services.
- Maintenance budgets will be aligned so that priority repairs identified by the Statutory Testing programmes are undertaken effectively. The council will work closely with its schools to ensure that the management of the Statutory Testing programmes in schools is equally effective.
- Introduction of services to school to provide them with Health and Safety staff either 1 day per week, or 1 day per fortnight to work with teacher on the asset requirements of the school.
- Carry out annual road condition surveys for improvements to planned and reactive maintenance

### Performance

Performance indicators will monitor progress for the life of the strategy, and will be reported and monitored within the appropriate asset management plans. Examples of the indicators relating to compliance are shown below.

Performance – Outcome 1 Compliance	
Asset Category	Example Performance Indicators
Property	<ul style="list-style-type: none"> <li>• N<sup>o</sup> of Priority 1 &amp; 2 electrical tasks and legionella which are outstanding (&gt;90 days)</li> <li>• N<sup>o</sup> of Priority 1 &amp; 2 gas tasks which are outstanding (&gt; 90 days)</li> <li>• % of statutory electrical and legionella inspections commissioned and completed on time</li> <li>• % of statutory gas inspections commissioned and completed on time</li> </ul>
Education & Lifelong Learning	The same indicators as above but for schools and other education premises
Highways and Related Assets	<ul style="list-style-type: none"> <li>• General inspections for Bridges and for confined space culvert</li> <li>• General Inspections of Retaining Walls</li> <li>• SCRIMM report on Road Conditions</li> </ul>
Open Spaces	<ul style="list-style-type: none"> <li>• N<sup>o</sup> of safety inspections carried out in play areas / youth facilities</li> </ul>
ICT	<ul style="list-style-type: none"> <li>• ISO/IEC 27001 - Information Security Management Certification – Annual and triennial audits</li> <li>• Public Sector Network (PSN) Compliance Certification – Annual audit</li> <li>• SOCITM All-Wales Benchmarking</li> </ul>
Fleet	<ul style="list-style-type: none"> <li>• % pass rate of MOT on HGV</li> <li>• % safety inspections carried out on or before due date, average per year.</li> </ul>
Housing	<ul style="list-style-type: none"> <li>• Average number of working days taken to complete a) planned b) routine c) emergency repair</li> </ul>

## OUTCOME 2: CONDITION

### Purpose

Assets must be maintained to ensure that they are in a satisfactory or better condition to support service delivery and achievement of corporate priorities.

### Activities

The main activities that will be undertaken between 2013 and 2017 are:

- Property Services will be streamlining the building portfolio (recognising that the council does not have a sufficient budget to maintain its current size), and (if practicable) diverting the resultant savings into the property budget; this will move the organisation towards a building estate that is of a good standard and is sustainable. We will maintain a data base of property condition that will allow the council to provide buildings that are fit for purpose and sustainable.
- Condition surveys will be used to challenge the continued use of buildings for retention or disposal.
- ISO/IEC 27001 - Information Security Management Certification – In-depth triennial audit in 2016.

### Performance

Performance indicators will monitor progress for the life span of the strategy, and will be reported and monitored within the appropriate asset management plans. Examples of the indicators relating to condition are shown below.

#### Performance - Outcome 2: Condition

Asset Category	Example Performance Indicators
Property	<ul style="list-style-type: none"> <li>• % of the gross GIA of council buildings in condition category A – Good, category B – Satisfactory, C – Poor D – Bad (expired).</li> <li>• % of the total value of required maintenance for council buildings assigned to works of Priority level 1 (urgent) or level 2 (essential)</li> </ul>
Education & Lifelong Learning	<ul style="list-style-type: none"> <li>• % and number of schools in each condition category A-D</li> <li>• 25 year backlog maintenance amounts (£)</li> <li>• M<sup>2</sup> of public library space available per 1000 population<sup>12</sup></li> </ul>
Highways and Related Assets	<ul style="list-style-type: none"> <li>• % of A,B,C roads in overall poor condition</li> <li>• Area of principal and non-network carriageway resurfaced</li> <li>• % of footway area resurfaced</li> </ul>
Open Space	<ul style="list-style-type: none"> <li>• Keep Wales Tidy LEAMS assessment</li> <li>• % of highways or relevant land inspected of a high or acceptable standard of cleanliness</li> </ul>

<sup>12</sup> (Welsh Public Library Standards Core Entitlement 6)

## Performance - Outcome 2: Condition

Asset Category	Example Performance Indicators
<b>ICT</b>	<ul style="list-style-type: none"> <li>• Systems application and network availability</li> <li>• % of support incidents resolved within agreed timescales</li> <li>• ISO/IEC 27001 - Information Security Management Certification – Annual and triennial audits</li> <li>• Public Sector Network (PSN) Compliance Certification – Annual audit</li> <li>• SOCITM Better Connected website annual assessment</li> </ul>
<b>Fleet</b>	<ul style="list-style-type: none"> <li>• % pass rates for MOT for HGV vehicles</li> <li>• % safety inspections carried out on or before due date, average per year</li> </ul>
<b>Housing</b>	<ul style="list-style-type: none"> <li>• Number of homes in local authority ownership brought up to the Wales Housing Quality Standard (WHQs)</li> </ul>

## OUTCOME 3: SUITABILITY

### Purpose

Assets that are fit for purpose for current and future service delivery will be more effective in delivering the council's priorities. Suitability is wider than asset condition as it also considers how well the asset is matched to current and planned service delivery requirements.

### Activities

The main activities that will be undertaken between 2013 and 2017 are:

- To produce individual Service Asset Management Plans (SAMP) to ensure property provision is planned in a holistic way.
- Continue to build new schools per the 21<sup>st</sup> Century Schools work programme including:
  - ✓ St. Ilan, phases 2 & 3 in autumn 2015 and agreement to proceed to phase 4 plans.
  - ✓ Commence Islwyn West Secondary School following successful completion of Stage 1 tendering process.
  - ✓ Commence Abertysswg/Pontlottyn Primary (*not* C21<sup>st</sup> Schools work programme).
- Ensure ICT provision meets software and hardware requirements necessary to provide developing digital services and meet information security, governance and provision needs and other elements contributing to the e-government agenda.
- Ensure information systems are updated and integrated with other systems to capture a complete and accurate range of essential property data including robust building condition surveys so decisions are made on accurate and up to date knowledge.

### Performance

Performance indicators will monitor progress for the life span of the strategy, and will be reported and monitored within the appropriate asset management plans. Examples of the indicators relating to are shown overleaf.

Performance - Outcome 3: Suitability	
Asset Category	Example Performance Indicators
Property	<ul style="list-style-type: none"> <li>• % of clients satisfied with the quality of corporate offices</li> <li>• Total usable office accommodation per employee</li> </ul>
Education & Lifelong Learning	<ul style="list-style-type: none"> <li>• Overall suitability category A-D</li> <li>• % size compliant classroom spaces (Primary schools)</li> <li>• ICT provision meets software and hardware requirements necessary to provide developing digital services, information provision and to meet the e-government agenda.</li> </ul>
Highways and Related Assets	<ul style="list-style-type: none"> <li>• Area of principal network carriage that is resurfaced</li> <li>• Area of non principal network carriage that is resurfaced.</li> <li>• % of Light Emitting Diode (LED) replacement Street Lighting</li> <li>• No of Highway flooding incidents</li> </ul>
ICT	<ul style="list-style-type: none"> <li>• SOCITM All-Wales Benchmarking</li> <li>• SOCITM Better Connected website annual assessment</li> </ul>
Fleet	<ul style="list-style-type: none"> <li>• Planning future demand and needs to be informed in part by the Local Development Plan which identifies future land use and therefore future transportation needs</li> </ul>
Housing	<ul style="list-style-type: none"> <li>• Maximise the use of the council extra care sheltered housing scheme by reducing vacancy levels</li> </ul>
Commercial Development	<ul style="list-style-type: none"> <li>• % occupancy rate</li> </ul>
Culture and Heritage	<ul style="list-style-type: none"> <li>• Total number of visitors to CCBC visitor venues</li> </ul>

## OUTCOME 4: SUFFICIENCY

### Purpose

Council assets have to be sufficient for existing and future use, with capacity reflecting demand and user requirements. This element of asset management allows the council to plan to support service development, as well as identify any potential assets that are underused.

### Activities

The main activities that will be undertaken between 2013 and 2017 are:

- Property Services will promote a phased transfer of all property into a central corporate portfolio managed by Property Services together with, where appropriate, directorate personnel employed to manage property matters. Develop a 5 and 10 year vision for property assets via the Asset Management Group.
- Significant ICT upgrades including
  - Shift of data centre operations to use virtualised technologies to offer greater capacity management flexibility whilst reducing the Authority's carbon footprint.
  - Replacement of all desktop computing devices and the adoption of thin client technologies to facilitate agile working whilst reducing the Authority's carbon footprint.
  - Update of the MS Office product set to offer users greater capabilities for the future.

### Performance

Performance indicators will monitor progress for the life span of the strategy, and will be reported and monitored within the appropriate asset management plans. Examples of the indicators relating to sufficiency are shown below.

#### Performance - Outcome 4: Sufficiency

Asset Category	Example Performance Indicators
Property	<ul style="list-style-type: none"> <li>• Total usable office accommodation per employee.</li> <li>• Office accommodation cost per FTE office based employee.</li> <li>• % of assets having &gt;80% utilisation</li> <li>• % of GIA LA buildings surplus</li> <li>• % occupancy level: Council commercial property portfolio</li> <li>• Reactive maintenance – Customer services rated as good or excellent</li> </ul>
Education & Lifelong Learning	<ul style="list-style-type: none"> <li>• % of surplus places (by school – Primary and Secondary)</li> <li>• % of overfilled places (by school – Primary and Secondary)</li> <li>• Number of Welsh Public Library Standards Core Entitlement and performance indicators met for library services</li> </ul>
Highways and Related Assets	<ul style="list-style-type: none"> <li>• Area of principal network carriage that is resurfaced</li> <li>• Area of non-principal network carriage that is resurfaced</li> <li>• No of Highway flooding incidents</li> <li>• Pothole repair responses</li> </ul>
Open Space	<ul style="list-style-type: none"> <li>• Park services customer satisfaction (biennial)</li> <li>• Number of amenity grass cuts undertaken</li> </ul>

## Performance - Outcome 4: Sufficiency

<b>Asset Category</b>	<b>Example Performance Indicators</b>
<b>ICT</b>	<ul style="list-style-type: none"><li>• Capacity management statistics outlining available processor and storage scope.</li></ul>
<b>Fleet</b>	<ul style="list-style-type: none"><li>• Availability of recycling and refuse vehicles</li></ul>
<b>Housing</b>	<ul style="list-style-type: none"><li>• % of empty housing stock</li><li>• Number of people on the waiting list</li><li>• Number of social housing stock maintained</li></ul>

## OUTCOME 5: ACCESSIBILITY

### Purpose

To deliver services effectively to all members of the community, assets need to be accessible to everyone, especially those with physical and learning disabilities.

### Activities

The main activities that will be undertaken between 2013 and 2017 are:

- Although the council has a well developed DDA programme managed by a dedicated disability access officer in consultation with the council's disabilities equalities group and voluntary local access group we want to make year on year improvements to public access stock
- Improve the accessible status of schools in line with the Physical Access Strategy
- Consult on all new school builds to maximise accessibility for pupils with complex needs in order for them to access mainstream provision. Improve fixed and portable equipment to aid moving and handling of children with physical disabilities in mainstream schools
- The use of tactile pavement, the increased clarity/definition from LED replacement street lighting and measures taken under Winter Maintenance.
- Revamp of the website incorporating the change to responsive design to meet the needs of smartphone and tablet users and working with independent bodies to assure its accessibility for people with disabilities.

### Performance

Performance indicators will monitor progress for the life span of the strategy, and will be reported and monitored within the appropriate asset management plans. Examples of the indicators relating to accessibility are shown below.

#### Performance - Outcome 5: Accessibility

Asset Category	Example Performance Indicators
Property	<ul style="list-style-type: none"> <li>• % of <i>relevant</i> council buildings made suitable and reasonably accessible for disabled members of the public.</li> </ul>
Education & Lifelong Learning	<ul style="list-style-type: none"> <li>• % of pupils in receipt of free school meals achieving the core subject indicator for key stage 2, 3 and 4 (level 2 threshold)</li> <li>• % accessible schools</li> <li>• Library service performance against Welsh Public Library Standards Core Entitlements 6 and 7 (access for all)</li> </ul>
Highways and Related Assets	<ul style="list-style-type: none"> <li>• % of network subject to precautionary salting</li> <li>• % of occurrences that precautionary salting completed before ice formation</li> <li>• Effects of LED conversions for street lighting</li> </ul>
Open Space	<ul style="list-style-type: none"> <li>• % rights of way considered easy to use by the public</li> </ul>
ICT	<ul style="list-style-type: none"> <li>• SOCITM Better Connected website annual assessment</li> </ul>
Housing	<ul style="list-style-type: none"> <li>• Number of tenants whose homes have been adapted to meet the WHQS to meet their specific needs</li> </ul>



## OUTCOME 6: SUSTAINABILITY

### Purpose

The council's assets will be managed to ensure that their useful operational life meets expected life expectancy, as well as minimising the potential adverse impact on the environment. Sustainability should make sure that council assets are available to support ongoing service delivery in the long term.

### Activities

The main activities that will be undertaken up to 2017 to achieve continued sustainability of assets are:

- We will be taking steps to reduce our carbon footprint in non domestic buildings in line with the Carbon Reduction Strategy
- We will update and maintain Building Condition Surveys so that the useful operational life of our assets meets projected life expectancy.
- We will continue the conversion to LED street lighting, usage of the recycling facilities at Coed Top and the possible conversion to a hybrid fleet of gritters.
- Shift to ICT virtualised and thin client technologies in the Data Centre and desktop, mobile working facilities to reduce the need for printed output and the adoption of MFP printing facilities to reduce the amount of toner and paper used contribute to the reduction of the Authority's carbon footprint.

### Performance

Performance indicators will monitor progress for the life span of the strategy, and will be reported and monitored within the appropriate asset management plans. Examples of the indicators relating to sustainability are shown overleaf.

## Performance - Outcome 6: Sustainability

Asset Category	Example Performance Indicator
<b>Property</b>	<ul style="list-style-type: none"> <li>• Display Energy Certificate (DEC) – The number of Property Certificates generated and issued within the year.</li> <li>• Annual carbon emission savings (Tonnes of CO2) from Council buildings – resulting from LAEF schemes that have been implemented.</li> <li>• The number of renewable energy technologies (claiming Feed in Tariffs or Renewable Heat Incentive) that are installed, and the merits and benefits of existing renewable schemes.</li> </ul>
<b>Education &amp; Lifelong Learning</b>	<ul style="list-style-type: none"> <li>• % and number of schools BREEAM assessed as excellent or better.</li> <li>• The number of workshops and events held with schools as part of the Eco schools programme and energy awareness sessions delivered to schools.</li> <li>• % of schools with the highest (green flag) award under the ECO Schools programme as at 31<sup>st</sup> March.</li> <li>• Energy (Gas, Electricity) usage per kWh</li> <li>• Water Usage (per m<sup>3</sup>)</li> </ul>
<b>Highways and Related Assets</b>	<ul style="list-style-type: none"> <li>• The lifetime carbon saved on converting to high efficiency street lighting (tonnes/year).</li> <li>• The number of street lights converted to Light Emitting Diode (LED) format.</li> </ul>
<b>Open Space</b>	<ul style="list-style-type: none"> <li>• % of parks achieved green flag national status</li> </ul>
<b>ICT</b>	<ul style="list-style-type: none"> <li>• Thin client v. PC ratio</li> <li>• Virtualised v. physical servers ratio</li> <li>• MFP usage statistics</li> </ul>
<b>Fleet</b>	<ul style="list-style-type: none"> <li>• CCBC operating fleet – tonnes CO2 emissions from diesel consumption.</li> <li>• Total fuel used by DLO fleet</li> </ul>
<b>Housing</b>	<ul style="list-style-type: none"> <li>• % materials use recycled</li> <li>• Average overall SAP rating for properties</li> <li>• Number of properties with improved energy efficiency levels through WHQS improvements</li> <li>• WHQS Stock with SAP rating 65+</li> <li>• Number of stock that meet the WHQS</li> </ul>

## Section 3 | Monitoring and Review of the Strategy

The strategy has been consulted on with a range of interested parties and has been formally adopted on the [insert date] by Council.

The Strategy is available on the Councils Intranet, its website, and from Property Services (in hard copy).

The Cabinet Member responsible for the Asset Management Strategy is the Cabinet Member for Performance and Property.

The strategy will be monitored and reviewed by the Asset Management Group on a twice yearly basis. The review will take note of the assumptions and constraints to check if these remain the same or have changed as that in turn may alter the strategic direction of this strategy. The risk register will also be reviewed and updated at this time.

The Council has established a number of Working Groups (see right) to manage the separate strands of this Strategy, supporting recommendations to Corporate Management Team, Cabinet, and Council; they are not decision-making bodies and, generally, are chaired by the appropriate Director or Head of Service with the relevant Cabinet Portfolio Holder in attendance.

Their roles are summarised in the table overleaf.

Group
Capital and Asset Management Groups
Property Asset Management Group
Education
Education Capital Monitoring group
Highway Operations Group
Open Space Working Group
Corporate Information Technology Services Group
Information Governance Project Team
Fleet Management
Caerphilly Homes Task Group

The indicators (referred to in [Section 2 | Strategy Outcomes](#)) that measure the success of the strategy are contained within service scorecards that will be monitored within the Councils Performance Management system called Ffynnon.

Any risks that escalate in severity will be escalated to the Council's Corporate Risk Register and will then be monitored monthly at the Councils Corporate Management Team.

Group	Role
Capital and Asset Management Groups	<ul style="list-style-type: none"> <li>• Responsibility for the direction and scope of the Corporate Asset Management Strategy and the individual asset management plans.</li> <li>• Corporate monitoring of general services capital programme and consideration of variances.</li> <li>• Evaluation of emerging investment requirements and strategic outline business cases (SOBCs).</li> <li>• Oversee the coordination of corporate asset management projects and initiatives.</li> </ul>
Property Asset Management Group	<ul style="list-style-type: none"> <li>• Responsibility for the direction and scope of the Property Asset Management Plan.</li> <li>• Management and monitoring of the property general services capital programme including identifying and prioritising investment.</li> <li>• Ensuring adequate project management resources are employed for the successful delivery of projects, including the identification and management of risks.</li> <li>• Initial evaluation of emerging investment requirements and SOBCs.</li> <li>• Facilitate service liaison on specific property asset projects and general operational property management issues.</li> <li>• Monitoring performance and progress on initiatives relating to the Property Asset Management Plan.</li> <li>• Oversee the coordination of corporate property projects.</li> </ul>
Schools Strategy Board	<ul style="list-style-type: none"> <li>• Responsibility for the direction and scope of the Schools Asset Management Plan.</li> <li>• Management and monitoring of the education capital programme including identifying and prioritising investment.</li> <li>• Initial evaluation of emerging investment requirements and SOBCs.</li> <li>• Ensuring adequate project management resources are employed for the successful delivery of projects, including the identification and management of risks.</li> <li>• Monitoring performance and progress on initiatives relating to the Schools Asset Management Plan.</li> <li>• Oversee the coordination of education projects.</li> </ul>
Highway Operations Group	<ul style="list-style-type: none"> <li>• Responsibility for the direction and scope of the Highways and related Asset Management Plan.</li> <li>• Evaluation and prioritisation of the annual works programme to align with asset management priorities.</li> <li>• Monitoring performance and progress on initiatives relating to the Highways Asset Management Plan.</li> <li>• Initial evaluation of emerging investment requirements and SOBCs.</li> <li>• Ensuring adequate project management is employed for the successful delivery of projects, including the identification and management of risks.</li> </ul>

Group	Role
Open Space Working Group	<ul style="list-style-type: none"> <li>• Responsibility for the direction and scope of the Open Space Asset Management Plan.</li> <li>• Monitoring performance and progress on initiatives relating to the Open Space Asset Management Plan.</li> <li>• Initial evaluation of emerging investment requirements and SOBCs.</li> <li>• Ensuring adequate project management is employed for the successful delivery of projects, including the identification and management of risks.</li> </ul>
Corporate Information Technology Services Group (CITSG)	<ul style="list-style-type: none"> <li>• Responsibility for the direction and scope of the ICT Asset Management Plan.</li> <li>• Initial evaluation of emerging investment requirements and SOBCs.</li> <li>• Responsibility for prioritising investment and ICT projects.</li> <li>• Monitoring performance and progress on initiatives relating to the ICT Asset Management Plan.</li> <li>• Monitoring achievement of benefits from ICT projects to project closure.</li> </ul>
Information Governance Project Team	<ul style="list-style-type: none"> <li>• Coordinate action to ensure compliance with legislative requirements of freedom of information, data protection, records management, and information security.</li> <li>• Monitoring the council's performance in dealing with freedom of information and data protection requests.</li> </ul>
Fleet Management	<ul style="list-style-type: none"> <li>• Responsibility for the direction and scope of the Fleet Asset Management Plan.</li> <li>• Responsibility for identifying and prioritising investment in conjunction with service managers.</li> <li>• Undertaking internal transport reviews and implementing conclusions.</li> </ul>
Caerphilly Homes Task Group	<ul style="list-style-type: none"> <li>• To advise and make recommendations in relation to the Housing Capital Programme, including identifying and prioritising investment.</li> <li>• Overseeing the coordination of housing projects.</li> </ul>

## Assumptions

The Strategy is based on the following Assumptions:

- Good communications between groups
- Budgets will continue to reduce and efficiencies will need to be found
- Sustainability in its broadest sense will dominate decision making

These assumptions will be routinely checked as part of the monitoring of the strategy.

## Constraints

- ➔ We are working with an aging and deteriorating building stock and a level of negative residual life on our roads

- ➔ Year on year reducing budget – impact can reduce preventative or planned maintenance, which affects new developments for example replacement IT stock or vehicles, reduced services (i.e. library or sport centre reduced opening hours)
- ➔ Service Asset Management Plans are part of a changing landscape making it difficult for ‘service asset management plans’ to be written as the position changes quickly and on an emergent basis; for example, WHQS is behind the planned programme due to a range of issues that are identified within their dedicated risk management register.

## Opportunities

- ➔ Improved understanding as to how assets can work better together (e.g. agile working leading to reducing of building costs) can help deliver the council priorities.
- ➔ Community Transfer could allow communities to take over and maintain their own assets freeing the authority up to work on a more focused set of assets. In the future and under the Future Generations Act there may be opportunity to work in partnership with others in the public sector to pool and provide assets based on community needs using the assets of others such as the health board or police. Assets based on ‘place’ and community has the potential to take a wider perspective on the benefits and use of assets.
- ➔ **Culture Properties - BIP**
- ➔ The new Public Service Board, established with effect from 1<sup>st</sup> April 2016 will act as a conduit for shared building resource discussions.
- ➔ Investment in roads – preservation treatments extend the design life of carriageways and footways, though innovations are still being looked into for more permanent solutions
- ➔ Innovative methods for completing routine Highway tasks are currently being trialled, e.g. “multihog” for streamlining reactive patching works, cold-lay tarmac for safer and more flexible treatment of potholes; along with future trials, such as the use of drones for aerial inspection of the numerous tips within the County Borough
- ➔ The usage of low energy technology to reduce both the economic and environmental costs for highway assets, such as urban and rural street lighting

## Section 4 | Appendices

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## Appendix A: Future Generations National Well-being Goals

Goal	Description of the Goal
<b>A prosperous Wales</b>	An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change), and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.
<b>A resilient Wales</b>	A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).
<b>A healthier Wales</b>	A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.
<b>A more equal Wales</b>	A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).
<b>A Wales of cohesive communities</b>	Attractive, viable, safe and well-connected communities.
<b>A Wales of vibrant culture and thriving Welsh language</b>	A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation
<b>A globally responsible Wales</b>	A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing make a positive contribution to global well-being.



## Appendix B: Foundation Standard – The Meaning of Accessible

### 4. Foundation Standard – The Meaning of Accessible

4.1 The overall aim would clearly be to have all buildings fully physically accessible to all people by completing all recommendations from the access audit. This in the majority of cases could then be described as a fully accessible building.

4.2 As this is a number of years away the proposal in the interim is to set criteria that the Council can work towards. Four broad criteria are recommended to meet the definition of physically accessible.

Once a property can fulfil the four criteria, it will be physically accessible to the foundation standard.

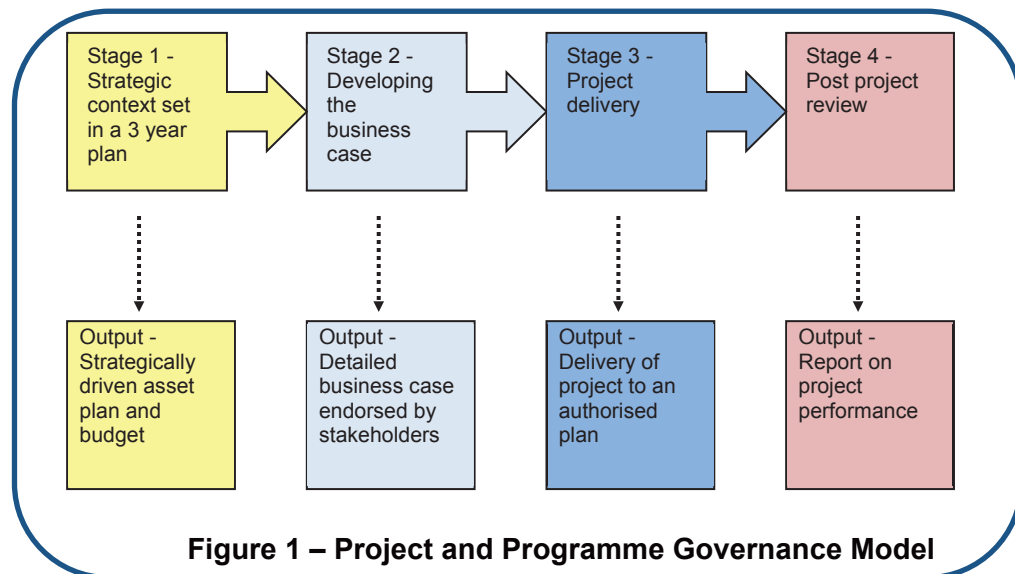
Note – If any of the criteria proved to be unreasonable e.g. accessible parking bay in the centre of a shopping area, this would be highlighted in the access plan.

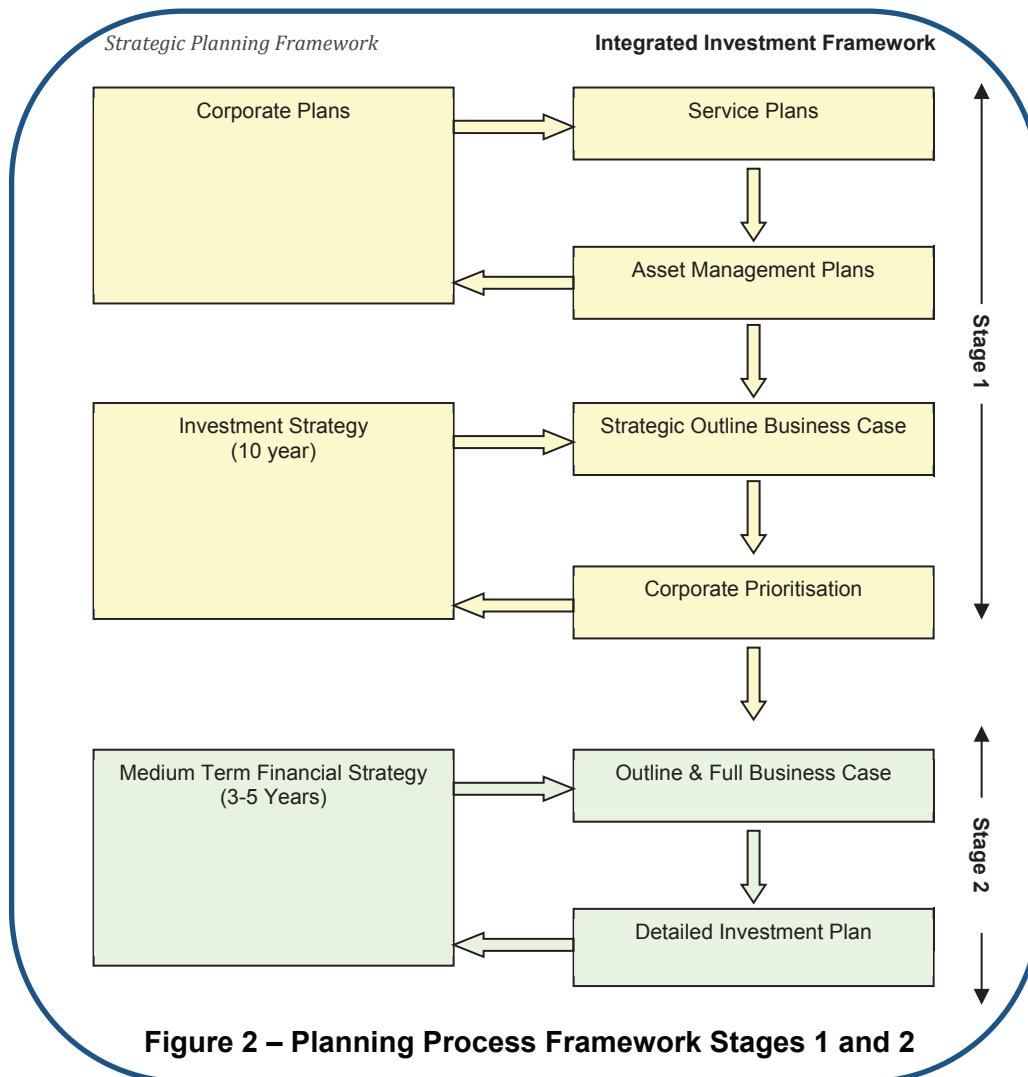
The four criteria are:

- **Parking** - clearly marked, designated, accessible bays with dropped kerbs, tactile paving and clear access routes,
  - **Main Entrance** - level entrance and lobby doorways with accessible opening mechanisms
  - **Reception** - clear access routes to the main reception area, with a low level counter and hearing loop system,
  - **Accessible WC** - unobstructed route to an accessible WC near to the reception area or within a reasonable distance,
- 4.3 These criteria may or may not provide full access to the service or facility from which the premises operates, as individual services may have more specific requirements e.g. access to a library's first floor. It is however a reference/base point to set up a program of works, which can be monitored and measured year on year. In the meantime, consideration needs to be given to how the service can be provided in an alternative way e.g. staff to obtain requested books from library's first floor for the individual.

## Appendix C: Investment Decisions (Strategic Outline Business Case)

1. There must be 3-year rolling asset management plans for each directorate setting out the property requirements over the period of the plan and identifying the associated budgets for recurring revenue, non-recurring revenue and capital expenditure. Reactive maintenance, by its very nature, is difficult to plan, but the intention is to maintain a programme of planned maintenance. There will, nonetheless be a requirement for a budget heading for reactive maintenance within the 3-year programme.
2. An integrated investment framework will be established. The framework will provide the link between individual and corporate asset management plans and the investment strategy enabling capital/revenue allocations that are supported by corporate prioritisation and an option appraisal. Fig 1, below, sets out the recommended governance model from a strategic context to post project review. Fig 2, overleaf, further defines the planning process of stages 1 and 2.
3. This longer term integrated approach to corporate prioritisation and asset management will ensure that investment is clearly linked to effective and sustainable management of the authority's extensive asset portfolio. The key objectives are to ensure the deployment of fit for purpose assets that support service provision and to target investment to where the benefits are maximised





4. A Strategic Outline Business Case (SOBC) will be prepared for each proposed investment (excluding annual recurring revenue expenditure). The SOBC will provide high-level information for each investment in order that informed decisions can be taken during the planning and prioritisation process. It will also set the base on which to build a full business case, if appropriate.
5. The SOBC must place the proposal in a strategic context setting out the following key information:-
  - The needs and purpose of the project
  - Who the interested parties are
  - The project scope and definition
  - Its benefits profile (and aims and objectives)
  - The links to strategic and corporate programmes and plans
  - The links to business and service improvement and change plans.
  - Budget cost estimates

## Corporate Prioritisation

### 6. The SOBC's must:-

- ↳ Give an indication of the total financing requirement.
- ↳ Identify core statutory, compliance and lifecycle investment.
- ↳ Prioritise the investment against pre-determined criteria
- ↳ Authorise projects in principle and allocate any funds required to move the project forward to the full business case stage
- ↳ Measure the impact on the property condition status

## Outline and Full Business Case

### 7. This will enable informed decisions to be taken for the inclusion of investments in a detailed 3-5 year capital programme and to progress individual projects to completion. The Outline and Full Business Cases build on the SOBC and will contain more detail, as a result of a project being authorised and funded to proceed in principle during the corporate prioritisation process. The business case should set out the following key data:-

- ↳ The benefits profile (and aims and objectives);
- ↳ Links to strategic and corporate programmes and plans
- ↳ Links to business and service improvement and change plans
- ↳ Operational costs and efficiency savings
- ↳ Sign off from all key stakeholders and contributors.
- ↳ The risks involved – and how they can be managed
- ↳ Detailed costs, and criteria for evaluation and prioritisation
- ↳ Support from the financial model
- ↳ An implementation project plan and timetable
- ↳ Plans for procurement strategy development



## **COUNCIL – 22ND NOVEMBER 2016**

**SUBJECT: HIGHWAY ASSET MANAGEMENT PLAN ENDORSEMENT**

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

- 
- 1.1 The attached report was considered by Cabinet on 16th November 2016. The recommendations of Cabinet will be reported verbally to Council on 22nd November 2016.
  - 1.2 Members will be asked to consider the recommendations of Cabinet.

Author: Helen Morgan, Senior Committee Services Officer

Appendix:  
Report to Cabinet - 16th November 2016

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## CABINET – 16TH NOVEMBER 2016

**SUBJECT: HIGHWAY ASSET MANAGEMENT PLAN ENDORSEMENT**

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

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- 1.1 The attached report, which was presented to the Regeneration and Environment Scrutiny Committee on 1st November 2016, outlined the background and content of the Caerphilly County Borough Council (CCBC) Highway Operations Group Framework and Highway Asset Management Plan (HAMP), and explained the process by which it is internally reviewed on an annual basis. Members were asked to review the HAMP process and key areas and provide comments for consideration, prior to its presentation to Cabinet and thereafter Council for endorsement.
- 1.2 Officers explained that the Council has a statutory duty to maintain a safe highway network as set out under the Highways Act 1980. The CCBC Highway Asset Management Plan (HAMP) is one of three plans that make up the Highway Operations Group Framework (detailed at Appendix 1 of the Scrutiny Committee report), the others being the Highway Maintenance Plan (HMP) and Highway Operations Plan (HOP). The HAMP is a strategic approach that identifies all the highway assets that are the responsibility of the highway authority (the Council). It assesses highway status and condition, and determines and implements the most appropriate maintenance regime within the most efficient cost parameters.
- 1.3 Members were advised that the working process of the HAMP is split into 4 parts, which offer relevant information and data for any respective asset enquiry and explain how this is reviewed and updated. The HAMP details highway assets with the relevant information and data for their identification and maintenance requirements, and is updated via a number of communication and feedback channels. A copy of the existing HAMP was attached at Appendix 2 of the Scrutiny Committee report. Members were advised of minor typographical errors at paragraphs 4.12 and 9.1 of the report (in that 4.12(b) should refer to paragraphs 4.5 and 4.6, 4.12(c) should refer to paragraph 4.10 and 9.1 should refer to paragraph 4.12). It was also noted that an Officer's name would be amended within the matrix of information contained at Section 3 of the HAMP.
- 1.4 During the course of the ensuing debate, reference was made to several asset categories within the HAMP that have been identified as being under review. It was explained that the information contained within the HAMP is a "living document" that is continuously being updated, and that the HAMP itself is reviewed on an annual basis to ensure that all references and processes and the asset inventory of the highway network are kept up to date.
- 1.5 Discussion took place regarding review arrangements for drains and gullies, with Members encouraged to report to Officers any areas where they are aware of drainage or blockage concerns. It was confirmed that inspection of these assets take place twice a year and it was agreed that the inspection schedule would be circulated to Members. Officers also responded to queries in respect of tips maintenance and recycling and the work carried out by highways inspectors in relation to the assessment of these sites.

- 1.6 Following consideration of the report (and subject to the aforementioned amendments), and having given consideration to key aspects of the HAMP as outlined in the report, the Regeneration and Environment Scrutiny Committee unanimously recommended that for the reasons contained therein:-
- (i) Cabinet and Council consider the content and annual review process for the Highway Asset Management Plan and the key aspects contained therein (namely the placement of the HAMP within the Highway Operations Group Framework, coverage of all aspects of highway asset management by the HAMP, and the identification of appropriate communication channels in respect of highway assets);
  - (ii) subject to the foregoing, the Highway Asset Management Plan as appended to the report presented to the Scrutiny Committee be endorsed.

1.7 Members are asked to consider the recommendations.

Author: R. Barrett, Committee Services Officer, Ext. 4245

Appendices:

Appendix 1 Report to Regeneration and Environment Scrutiny Committee on 1st November 2016  
– Agenda Item 8





## REGENERATION AND ENVIRONMENT SCRUTINY COMMITTEE – 1ST NOVEMBER 2016

**SUBJECT: HIGHWAY ASSET MANAGEMENT PLAN ENDORSEMENT**

**REPORT BY: CORPORATE DIRECTOR COMMUNITIES**

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

- 1.1 This report will outline the background and content of the Caerphilly County Borough Council (CCBC) Highway Operations Group Framework and Highway Asset Management Plan (HAMP). It also explains the process by which it is internally reviewed on an annual basis.
- 1.2 Scrutiny members are asked to review the Highway Asset Management Plan (HAMP) process and key areas and provide comments for consideration, prior to seeking Cabinet and Council endorsement.

### **2. SUMMARY**

- 2.1 The Council has a statutory duty to maintain a safe highway network, as set out under the Highways Act, 1980.

The following suite of documents (refer to the Highway Operations Group Framework structure shown in Appendix A), sets out how this statutory duty is fulfilled:

- Highway Asset Management Plan (HAMP) – this sets out how the Council's assets are identified, assessed, inspected, maintained and recorded (most recent version is in Appendix B).
- Highway Maintenance Plan (HMP) – this sets out the maintenance regimes of the highway assets and the Highway Operations criteria for this to take place (highways, footways, bridges, drainage, winter maintenance, etc.) – this has a direct link to the HAMP
- Highway Operations Plan (HOP) – this document sets out how the Highway Operations team carry out tasks that do not have a direct connection with the Council's highway assets (out-of-hours duties, utility works inspections etc.)

- 2.2 Members are asked to scrutinise the process and overall content, then to provide comment prior to seeking endorsement by Cabinet and Council.

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

- 3.1 This report links directly to the regeneration of the county borough making Caerphilly County Borough a better place to live and work.
- 3.2 The report links directly to the Council's priority to improve accessibility throughout the county borough by improving the transport network, enabling individuals to move freely around Caerphilly.

- 3.3 There is also a link to ensuring communities are safer by maintaining a safety standards for the development of integrated, efficient local and regional transport system, on which public transport, private users, cycling and walking networks can operate.
- 3.4 The Well-being of Future Generations (Wales) Act 2015 came into force this April, it sets out seven Well-Being Goals; the focus of this report supports a Resilient Wales, A Prosperous Wales, A Wales of Cohesive Communities and a Globally Responsible Wales

#### **4. THE REPORT**

- 4.1 The Council has a statutory duty to maintain a safe highway network as set out in the Highways Act, 1980. The methodology which sets out how the Council's duty is fulfilled is detailed within a suite of documents that sit under an overall framework.
- 4.2 The CCBC Highway Asset Management Plan (HAMP) is one of the three plans that make up the Highway Operations Group Framework, the others being the Highway Maintenance Plan (HMP), which includes the Winter Maintenance Plan (reviewed in Scrutiny 28<sup>th</sup> June 2016), and Highway Operations Plan (HOP).
- 4.3 The HAMP is a strategic approach that identifies all the highway assets that are the responsibility of the highway authority (i.e. the Council) and it assesses their status and condition, determines and implements the most appropriate maintenance regime within the most efficient cost parameters. The aim of this assessment is to ensure that each asset is maintained to an optimum level within an effective budget envelope.
- 4.4 The purpose of this plan is to ensure that the highway asset is managed with a strategic and cost effective approach, so that maximum value for money is achieved. Consequently it links in with the Corporate Asset Management Strategy 2016-26, so consistency with its Principles can be maintained throughout the HAMP.
- 4.5 The HAMP consists of:
- a) A Policy Statement – to outline the Authority's approach and duties towards highway asset management.
  - b) Asset Registry – for asset description, current status and historical information, this is so asset performance can be assessed.
  - c) Revision processes to update the Asset Register (from internal staff to external third parties) – to review asset valuation, re-assess risks to assets and allow for re-prioritisation.
  - d) Programme of investment – to be led by the updated data and information in the Asset Register thereby, improving the asset performance in an economically effective manner.

There must also be a link to the Maintenance Manual – Highway Maintenance Plan (HMP) – for service standards, planned actions and maintenance regimes (formed as a separate but related plan under the Highway Operations Group Framework).

- 4.6 The HAMP is used for Highway assets, which consist of:
- Adopted carriageways
  - Adopted footways
  - Adopted street lighting
  - Drainage for highways
  - Structures that are adjacent to, over or under the highway
  - Vehicle Restraint Systems (VRS) and Fencing
  - Traffic Signals/ Road crossings
  - Bus stops/ Bus stations
  - Road furniture – Signs, road markings, cat's eyes, bollards etc.

- 4.7 The purpose of the HAMP is to provide an overview of the asset management for highway infrastructure maintained by CCBC. It offers relevant information and data for any respective asset enquiry and how this is updated and reviewed; for this the working process is divided into four parts:
- Part 1 – gives an overview and basis for the highway asset management plan (HAMP)
  - Part 2 – summarises how the plan is put together and how revisions are made
  - Part 3 – shows how and where the information and data is stored
  - Part 4 – explains the mechanisms that are used by the plan including performance and stakeholder feedback
- 4.8 The HAMP details highway assets with the relevant information and data for their identification and maintenance requirements:
- Carriageways & Footways – location, length, width, asset condition, construction design, resurfacing dates
  - Street Lighting – identification, location, asset condition, lighting type (LED, SOX etc.), installation dates
  - Highway/ Land drainage – location, diameter, depth, construction type (clay, plastic etc.), installation and/ or repair dates (under development for highway drainage)
  - Highway structures – location, dimensions, construction materials, asset condition, repairs carried out (with dates)
  - VRS and Fencing – location, construction materials, asset condition, ownership issues, installation/ repair dates (under development)
  - Traffic signals/ Road crossings – location, design data, installation date, asset condition
  - Bus stops/ Bus stations – location, installation date, construction materials, asset condition
  - Road furniture – location, construction materials, asset condition, installation date (under development)
- 4.9 This document is reviewed on an annual basis, to ensure the references and processes are kept updated, providing an up to date asset inventory of our highway network.
- 4.10 The information and data is updated via a number of channels including:
- Regional and Local Transportation Strategies
  - Local Development Plan
  - Highway Operations Group framework
  - Gazetteers – catalogues of asset information and data
  - Annual Group Service Plan
  - Maintenance Inspections and Works
  - Council Developments
  - Local Developments
  - Updates and enquiries from the General Public
  - Public Surveys (Caerphilly Household, SNAP surveys etc.)
- 4.11 The HAMP can be used in a number of ways, dependant on the user. The main functions are:
- i. Asset information – asset condition, installation/ construction dates (with methods and materials), treatment or repair dates etc.
  - ii. Asset maintenance planning – what and when last treatment/ repairs had taken place with expected design life/ programmed maintenance works required.
  - iii. Asset valuation – the relative value of the asset function and the potential cost (direct and indirect) of replacement/repair.
  - iv. Asset Registration – to ensure a comprehensive and up-to-date record of CCBC assets.

In terms of asset value, the most recent valuation of the Council's highway network has concluded that the 1,193 km of highway, with its associated infrastructure, is valued at £3,424,683,000.

- 4.12 Of these sections there are a number of HAMP aspects that officers would welcome the views from the committee, as they cover key issues within the HAMP, these being:
- a) **The placement of the HAMP within the Highway Operations Group Framework** (in Appendix A); have the right relationships been identified within the document structure? Are there additional links that could be made to the HAMP outside the Highway Maintenance Plan?
  - b) **Have all aspects of highway asset management been covered by the HAMP?** Is there anything else missing from the HAMP sections summarised in 4.4? Are there highway asset types that are missing from 4.5?
  - c) **Are there communication channels that have yet to be identified in 4.9 that could give valuable updated information about highway assets to Highway Operations?**

## 5. EQUALITIES IMPLICATIONS

- 5.1 A functional and accurate Highway asset register and associated operations will benefit the vulnerable, young and elderly, ensuring their services (including emergencies), providing all highway assets with a robust maintenance regime throughout the year.
- 5.2 Being more effective in maintaining the CCBC highway assets should lead to improvements in maintenance regimes and incorporate improvements that leads to an effective transport network so benefiting the less mobile/ vulnerable members of the community.

## 6. FINANCIAL IMPLICATIONS

- 6.1 The Highway valuation is produced on an annual basis for a submission made to the Welsh Government every June.
- 6.2 The valuation consists of the following categories:
- Carriageways
  - Footways
  - Structures
  - Street Lighting
  - Street Furniture
  - Traffic Management Systems
  - Land

The total valuation for these elements for the most recent submission (2015 -16) was £3,424,683,000 (as of March 2016).

- 6.3 From the total figure in 6.2, the Highway Asset (the total asset value minus the land value) gives a total valuation of £1,920,005,000. This valuation represents the amount of money that would be required to replace the entire asset at today's value (excluding land purchase costs) and so represents the largest asset of CCBC.
- 6.4 This valuation forms part of a series of submissions to the Welsh Government, which include depreciation values of the assets as they degrade through continual use; a summary is contained within the appendix to the HAMP (Appendix B). These valuations then guide the Council on the levels of investment needed to maintain the highway asset within the County boundaries for the following year. It will also be used to support infrastructure bids, so forming a justification base for future national grants and government loans (reference to the recent LGBI initiative of 2012-15).

## **7. PERSONNEL IMPLICATIONS**

7.1 There are no direct personnel implications in relation to this report.

## **8. CONSULTATIONS**

8.1 All comments received have been taken into consideration and are included in the report.

## **9. RECOMMENDATIONS**

9.1 For Scrutiny Members to comment on the content and annual review process for the HAMP, considering the key issues as outlined in 4.11.

9.2 To consider and offer comments in relation to the existing HAMP, prior to consideration by Cabinet and Council.

## **10. REASONS FOR RECOMMENDATIONS**

10.1 To provide comments and views with regards to the existing HAMP, prior to approval by Cabinet and Council.

## **11. STATUTORY POWER**

11.1 Highways Act 1980.  
Well-being of Future Generations (Wales) Act 2015.

Author: Graham Parry - Highway Operations Group Manager

Consultees: Cllr T Williams – Cabinet Member for Highways, Transportation & Engineering  
Cllr D T Davies – Chair of Regeneration and Environmental Scrutiny Committee  
Cllr E Aldworth – Vice Chair of Regeneration and Environmental Scrutiny Committee  
Chris Burns – Interim Chief Executive  
Christina Harry - Corporate Director – Communities  
Nicole Scammell - Acting Director of Corporate Services and S.151  
Terry Shaw – Head of Engineering Services  
Colin Jones - Head of Performance & Property Services  
Gail Williams – Interim Head of Legal Services/Monitoring Officer  
Stephen Harris – Interim Head of Corporate Finance  
Rob Hartshorn – Head of Public Protection  
Mike Eedy – Finance Manager  
Trish Reardon – HR Manager  
Anwen Rees – Senior Policy Officer – Equalities and Welsh Language  
Steve Hodges – Network Management Manager  
Andrew Southcombe - Finance Manager (Corporate Services)

Appendices:

Appendix A – Highways Operations Group Framework

Appendix B – Highway Asset Management Plan (HAMP)

# HIGHWAY OPERATIONS GROUP FRAMEWORK

## Introduction

Highway Operations Group have the responsibility of maintaining the highway and associated infrastructure for Caerphilly County Borough Council, covering an asset that collectively amounts to £2 billion. Its principal purpose is to:

- ❖ Protect and maintain the highway network.
- ❖ Ensure safe, effective use and development of the highway network.
- ❖ Develop and deliver a range of engineering projects to improve the highway
- ❖ Deliver integrated and sustainable transportation and engineering projects.

The many facets of Highway Operations means that the processes and procedures can be both distinct and overarching, leaving the need to both identify the functions within the Group and consolidate them into distinct areas of work. To this end a framework has been produced to form the structure on which these areas of work can be placed, giving a comprehensive overview of the extent and nature of the work that is carried out by the Highway Operations Group. The division of the Framework is as follows:

- Asset Management Plan – how the Council’s assets are identified, assessed, inspected, maintained and recorded
- Highway Maintenance Plan – how Highway Operations maintain the highway assets (highways, footways, bridges, drainage etc.)
- Highway Operations Plan – how Highway Operations carry out tasks that do not have a direct connection with the Council’s highway assets (out-of-hours duties, utility works inspections etc.)

These headings are then subdivided where the function covers an extensive area, such as Highways Inspection and Winter Maintenance. Further these areas will overlap with other areas such as Standby duties and NCS. In these cases the principal operational document will detail the duplicated practices/ process/ procedure and the more bespoke work area will be referenced in the appropriate section(s).

Whilst each document will be written on a stand-alone basis; reference to other will be frequently made. Each document will be formed on the basis of:

- What we do
- Why we are doing it
- How we are doing it
- The authorisation required to do the work
- The mechanism for review and alteration of the document
- Lead officer responsible for the document
- Specific training needs



**KEY:**

- Document to be reviewed
- Document under separate review
- Documents pending review

# HIGHWAY OPERATIONS GROUP FRAMEWORK

## HIGHWAY ASSET MANAGEMENT PLAN

## HIGHWAY MAINTENANCE PLAN

## HIGHWAY OPERATIONS PLAN

### HIGHWAY INSPECTION MANUAL

Staff set up  
Inspections/  
Frequencies  
Actions  
undertaken  
Recording  
and  
registration

### TIPS MAINTENANCE & RECYCLING

Staff set-up  
Programme  
annual and 15  
year cycle  
Sequence of  
works  
Existing types  
and methods  
of recycling  
segregating  
waste &  
materials  
Assessment  
of processes  
New  
proposals

### DRAINAGE MAINTENANCE

Drains &  
Gullies:  
Staff set up  
Inspections  
Works  
undertaken

### STRUCTURES

Bridges  
Retaining  
Structures  
Culverts

### PLANNED WORKS

Assessing  
carriageway  
/ footway  
Resurfacing  
/ surface  
dressing  
Slurry  
sealing  
Assessment  
and  
processing  
of existing /  
new VRS  
Procedure  
for works  
undertaken

### STREET LIGHTING

Staff  
organisat'n  
Asset  
mainten'ce  
function  
Inspections/  
frequencies  
Activities  
and works  
carried out  
Registration  
and  
recording  
Initiatives

### WINTER MAINTENANCE PLAN

Staff  
Organisation/  
set-up  
Functions of  
Winter  
Maint'ce  
Inspection/  
detection  
Route/  
Actions  
prioriti'n  
Works  
processes  
and  
frequency

### NCS DUTIES

Maint'ce  
duties  
Footways  
Structures  
SEW  
Contract

### STANDBY DUTIES

Shift  
arrange'ts  
Require'ts  
for duties

### LICENSES

Staff set up  
Inspections  
Notification  
Penalties

### UTILITIES & NRSWRA DUTIES

Staff set up  
Inspections  
Actions  
undertaken

### BUILDING & DEPOT MANAGEMENT

System set  
up  
Inspections/  
Frequencies  
Actions  
undertaken  
Recording  
and  
registration

# CAERPHILLY COUNTY BOROUGH COUNCIL HIGHWAY ASSET MANAGEMENT PLAN





# Highway Asset Management Plan

## 1. Introduction

*Highway Operations Group have the responsibility of maintaining the highway and associated infrastructure for Caerphilly County Borough Council, covering an asset that collectively amounts to £2 billion. Its principle purpose is to:*

- ❖ *Protect and maintain the highway network.*
- ❖ *Ensure safe, effective use and development of the highway network.*
- ❖ *Develop and deliver a range of engineering projects to improve the highway*
- ❖ *Deliver integrated and sustainable transportation and engineering projects.*

*The basis of this remit is for the highway assets (that are the responsibility of CCBC) to be identified and assessed, so the required maintenance can be enacted in a timely manner within an effective economic framework. For this, the Authority requires a Highway Asset Management Plan (HAMP).*

### a. What is an Asset Management Plan

An Asset Management Plan (AMP) is defined as:

*"A plan developed for the management of one or more infrastructure assets that combines multi-disciplinary management techniques (including technical & financial) over the life cycle of the asset in the most cost effective manner to provide a specific level of service"*

The International Infrastructure Management Manual - 2008.

The plan's objectives are to optimise the performance of the assets, in a cost-effective and operationally efficient way; the AMP typically covers the following areas:

- Asset Description – why does it exist
- Current Asset Performance – what is its current status
- Standard of Service – what it is required to do
- Planned Actions – what are the asset requirements
- Costs – its whole life costs
- Benefits/ Risks – linked to Costs
- Potential Improvements – how can the asset be improved

## b. Highway Asset Management

Highway asset management is defined as:

*“Asset management is a strategic approach that identifies the optimal allocation of resources for the management, operation, preservation and enhancement of the highway infrastructure to meet the needs of current and future customers”*

County Surveyors Society Framework for Highway Asset Management, CSS, 2004.

Highway asset management is used to ensure that public infrastructure is managed cost effectively and that every penny spent on the asset is put to the best use. This is best done in the format of a Highway Asset Management Plan (HAMP)

The HAMP should consist of:

- a) A Policy Statement – to outline the Authority’s approach and duties towards highway asset management
- b) Asset Registry – for asset description, current status and historical information so asset performance can be assessed.
- c) Maintenance Manual – Highways Maintenance Plan (HMP) – for service standards, planned actions and maintenance regimes – this is a separate document from the HAMP and is contained within the Highway Operations Group Framework, a plan of which can be found in Appendix B
- d) Revision processes to update the Asset Register (from internal staff to external third parties) – to review asset valuation, re-assess risks to assets and allow for re-prioritisation
- e) Programme of investment – to be led by the updated data and information in the Asset Register (ref. b above), improving the asset performance in an economically effective manner

The HAMP is used for Highway assets, the main categories for these being:

- Carriageways - adopted
- Footways - adopted
- Street Lighting - adopted
- Drainage for highways
- Structures that are adjacent to, over or under the highway
- Vehicle Restraint Systems (VRS) and Fencing
- Traffic Signals/ Road crossings
- Bus stops/ Bus stations
- Road furniture – Signs, road markings, cat’s eyes, bollards etc.

This list is not exhaustive but gives the main categories from the Highway Asset Register for Caerphilly County Borough Council (CCBC).

Assets not covered by the Caerphilly HAMP:

- Trunk Roads – A465 (managed by South Wales Trunk Road Agent - SWTRA)
- Public Rights of Way and bridleways (part of Planning’s responsibility)
- Unadopted Roads and footways

- Unadopted rear lanes
- Boundaries to highway land that fall under the other ownership
- Car-parks
- Canal

### **c. Uses of the Highway Asset Management (HAMP)**

- Effective use of existing budgets <sup>(6)</sup>
- Exploring effective levels of service and budget options <sup>(6)</sup>
- Formalisation of service standards and policies
- Monitoring and reporting on performance <sup>(2) (3)</sup>
- Identifying customer expectations and aspirations <sup>(4)</sup>
- Providing a longer term maintenance regimes <sup>(1)</sup>
- Establishment of efficient works programmes <sup>(5)</sup>

The figures in raised parenthesis indicate the Principles as listed within the Corporate Asset Management Strategy 2016 – 26, these being:

- 1. We will balance short term needs with the need to safeguard the ability to meet long term generational needs, where those long term needs are identifiable.*
- 2. We will communicate what we are doing and the progress we have made*
- 3. We will involve other persons in the development of our asset management strategies/plans to reflect the diversity of the people within the county borough*
- 4. We will work with other public services bodies to deliver (where possible) both joint asset management solutions, and complementary goals.*
- 5. We will seek to improve the quality of our environment through good asset management by ensuring our resources are deployed effectively.*
- 6. Quality of life and fit for purpose assets will be our main consideration, within imposed financial constraints.*

These will be repeated throughout the rest of this document where appropriate.

### **d. How to use the Highway Asset Management Plan (HAMP)**

The purpose of this document is to provide an overview of the Asset Management for highway infrastructure maintained by CCBC. For this to be of use the reader needs to know where to find the relevant information to their enquiry, so this plan is divided into four parts:

Part 1 – gives an overview and basis for the highway asset management plan (HAMP)

Part 2 – summarises how the plan is put together and how revisions are made

Part 3 – shows how and where the information and data is stored

Part 4 – explains the mechanisms that are used by the plan including performance and stakeholder feedback

## 2. How Caerphilly's Highways Asset Management works

### a. The interactions of the Asset Management Plan

The Caerphilly's Highway Asset Management Plan has interactions and inputs from a number of other source documents; this can be most clearly seen in a graphical representation as follows



**Figure 1:** The titles encircled with the blue lines are source documents with the arrows indicating input into the HAMP and overlapping shapes showing a sharing of information and data.

### b. What's in the Highway Asset Management Plan

The HAMP consists of the highway assets with the relevant information and data for their identification and maintenance requirements:

- Carriageways & Footways – location, length, width, asset condition, construction/ resurfacing dates
- Street Lighting – identification, location, asset condition, lighting type (LED, SOX etc.), installation dates
- Highway drainage – location, diameter, depth, construction type (clay, plastic etc.)
- Highway structures – location, dimensions, construction materials, asset condition
- VRS and Fencing – location, construction materials, asset condition, ownership issues
- Traffic signals/ Road crossings – location, installation date, asset condition
- Bus stops/ Bus stations – location, installation date, construction materials, asset condition
- Road furniture – location, construction materials, installation date, asset condition

### **c. How does the Highway Asset Management Plan work**

The HAMP can be used in a number of ways, dependant on the user, the main functions are:

- i. Asset information – asset condition, treatment or repair dates etc.
- ii. Asset maintenance planning – what and when last treatment/ repairs had taken place
- iii. Asset valuation – the relative value of asset function and the potential cost (direct and indirect) of replacement/ repair
- iv. Asset Registration – to ensure a comprehensive and up-to-date record of CCBC assets <sup>(2)</sup>

This helps ensure that CCBC can benefit from:

- Effective use of existing budgets
- Effective levels of service and budget options
- A formalisation of service standards and policies
- Monitoring and reporting on performance <sup>(2)</sup>
- Providing a longer term maintenance regimes <sup>(1)</sup>
- Establishment of efficient works programmes

### **d. Updating of the Highway Asset Data**

This is mostly done via the adoption process through Highways Development or private developers; this process is where the asset is constructed to the approved standard and the maintenance for this asset is then transferred to the Council. Consequently this increases the assets quantity or length held on the Caerphilly Asset Registers which form the basis of the HAMP.

The converse of this is to remove assets from the register; this can be done through a legal closure for safety reasons covering a designated period of time, which is enacted when an asset cannot be economically maintained to the approved standards. Though currently rare its occurrence will probably become more frequent as the funds to maintain highway assets are reduced via the Medium Term Financial Plans (MTFPs) for the next 4-5 years.

### **e. Updating via Feedback from Stakeholders <sup>(3)</sup>**

The general public can update the asset register by using the Service Request (SR) mechanism, were an individual can report faults (to street lighting, gullies etc.) via the web-site, phone or e-mail.

There are also a number of surveys that involve the general public, the Household survey (bi-annual) and the SNAP Survey by Refuse & Cleansing (biannual), these give a wide range of feedback stakeholder feed-back from a range of council services. A proportion of which covers the following highway asset groups:

- Roads
- Pedestrian pavements
- Drains & gullies
- Signs & road markings
- Street Lighting
- Winter Maintenance
- Highway Maintenance

All of which are directly or indirectly related to highway assets, so contribute to the assessment of the perceived asset performance, which is amalgamated with the more technical results, to give a more appropriate approach to their prioritisation and maintenance.

### 3. Highway Asset Management Plan Information and Data

#### a. What is an Highway Asset Register

The asset data and information is held on what is called an Asset Register (mostly in an electronic version, though some historic information is held on physical copies as well); this is ideally on a single data base, though due to the varying nature of the assets (road, structures, lighting columns etc.) this can prove impractical. As an alternate the data bases have been unified where possible, for example Mayrise for highways and street lighting, leaving asset groups with more bespoke information, drainage, structures etc., are compiled on their own clearly identified registries.

#### b. Where is the HAMP located

The HAMP is formed of constituent parts that cross reference the Highway Asset Management Plan and the Highway Asset Register, a summary of this can be expressed in matrix form as follows:

<b>Asset Categories</b> <b>HAMP Sections</b>	<b>Carriageway &amp; Footway</b>	<b>Street Lighting</b>	<b>Drainage</b>	<b>Structures</b>	<b>VRS &amp; Fencing</b>	<b>Road crossings</b>	<b>Bus stops/ stations</b>	<b>Road furniture</b>
<i>Description</i>	GIS plans & Inspection data/ NSG gazetteer	Mayrise Street lighting	GIS data Geo environment	R/Wall & Bridges Database (Access) – O Drive	GIS plans	Under review	Inventory of all shelters – O Drive	Under review
<i>Performance</i>	Scrim, scanner & highway inspections	Mayrise Street lighting	Service Requests, Inspections	Inspection reports	Inspections, reports	Inspection reports	Cleansing reports - O Drive	Inspections, reports
<i>Service</i>	Inspections	Mayrise Street lighting	Service Requests, Inspections	Highway Structures SLA	Inspections, reports	Inspection reports	Maint'ce orders Record - O Drive	Inspections, reports
<i>Planned Actions</i>	Inspections	Mayrise Street lighting	Service Requests, Inspections	Programmes word and excel - O Drive	Scored on national spec & local knowledge	Inspection reports	Requests and complaints – O Drive	Inspections, reports
<i>Costs</i>	Works tickets, tenders and SORs	Mayrise Street lighting	Service Requests, Inspections	R/Wall & Bridges Database (Access) – O Drive	Framework tender	Inspection reports	Maint'ce orders Record - O Drive	Inspections, reports
<i>Risks</i>	HAMP Insurance Risk reports	Mayrise Street lighting & Insurance risk	Service Requests, Inspections	Prioritisation sheets - O Drive	Inspections, Insurance Risk reports	Inspection reports	Requests and complaints – O Drive	Inspections, reports
<i>Improvements</i>	Under review	Under review	Under review	Bridge Database - O Drive	Under review	Under review	Under review	Under review
<i>Asset Owner</i>	Gareth Richards & Chris Adams	Steve Hodges	Gareth Richards	Jacqui Mynott	Chris Adams	Dean Smith	Huw Lewis	Chris Adams

Each of these locations holds the up to date information and data for each asset class, with restricted editing rights going to authorised personnel.

### **c. Information Usage**

These databases can be used to assess the Council's assets for:

- Asset valuation
- Effective asset maintenance
- Asset performance
- Prioritisation of asset repair and maintenance
- Record of asset history for future requirements

### **d. How is this information updated**

The updating of asset information can originate from various sources, the main categories being:

- Highway schemes
- Private development adoptions
- Council funded schemes <sup>(4)</sup>
- Urban renewals schemes <sup>(4)</sup>
- Structural repairs/ replacements
- Drainage schemes/ improvements
- Infrastructure repairs
- Input from third parties (e.g. general public via the Service Requests (SRs) <sup>(3)</sup>

In addition, previously unidentified assets can be assigned to the Council or reallocated within the Council's divisions and service areas.



## 4. How the Highway Asset Management Plan works – mechanisms

### a. Valuation <sup>(2)</sup>

As the CCBC's HAMP collates and records the updated condition and description of the highway assets in the Council's remit, this can prove a useful basis on which to secure a valuation of the known assets, which can then be compiled to a complete itinerary. This is routinely done as an annual submission to Welsh Government (WG) under an 'L-Pack' submission (a summary of which can be found in Appendix 1).

There are other valuations asked for from other bodies on a regular basis, such as APSE (Association for Public Service Excellence), the ALARM (Annual Local Authority Road Maintenance) survey; where the returns are segregated into peer council organisation groupings, to allow an assessment of relative asset performance.

### b. Performance Indicators <sup>(2)</sup>

The performance of the Council is measured and coordinated via the Fynnon system, part of this covers Highway Operations both with highways functions (reactive maintenance, winter gritting etc.) and a suite of performance indicators that are directly tied to the highway asset and their condition, ready examples being the results from road and structural surveys.

These can give indication via scoring mechanisms that allow for comparative assessments of the asset performance, i.e. how effectively the asset is fulfilling its function; so how well a road is carrying the traffic load, how effectively a drain is carrying the water away from the location etc.

### c. Prioritisation of Highway Asset Maintenance <sup>(4)</sup>

The budgetary constraints placed on public bodies means that responsibilities such as highway assets need to be prioritised so that the limited finances can be focused on where the need is greatest. This entails a process by which the assets within a group can be measured, scored and assessed for their condition and relative performance, so a prioritised table can be drawn up and the funds can be effectively allocated to the assets that are most in need of repair/ enhancement, rather than that being spread evenly over the asset stock (which would not achieve any meaningful improvement).

### d. Assessing Routine Maintenance Regimes <sup>(6)</sup>

As the HAMP encompasses the condition and the requirement for an asset to be maintained to an acceptable standard, recording activities such as inspections and prioritising (through identifying poor performance) sites with assets that require timely investment. The effectiveness of routine maintenance can be assessed and possible efficiencies can be identified to improve these activities and their relative costs.

### e. Programming of Works <sup>(4) (5) (6)</sup>

Highway assets can be evaluated on their condition and performance, highlighting poor or substandard levels which require action to correct or improve their status. This then forms the basis for a programme of works and help concentrate funds to the least reliable sections of the asset register and possibly helps enhance or improve their performance to the standards required.

**f. Capital Improvements** <sup>(5)</sup>

There are opportunities for Councils to bid for and win capital funding via central government through loans and grants. This has moved to an evidence based approach from the sponsors. The use of the HAMP will give a consistent and empirical base on which to set out these bids, so relative comparisons can be made both within the Council boundaries and across other peer public bodies, such as other Welsh Local Authorities. The more complete and comprehensive the council's HAMP (when compared to peer organisations), the more confidence a sponsor will have in awarding these loans and grants.

# Appendix 1

## Summary of Welsh Government Valuations

1.1 The Highway valuation is produced on an annual basis for a submission made to the Welsh Government every June.

The valuation consists of the following categories:

- Carriageways
- Footways
- Structures
- Street Lighting
- Street Furniture
- Traffic Management Systems
- Land

The total valuation for these elements for the most recent submission (2015 -16) was £3,424,683,000 (as of March 2016).

1.2 From the total figure in 1.1, the Highway Asset (the total asset value minus the land value) gives a total valuation of £1,920,005,000; due to the asset being in a continuous deteriorating state (being constantly used throughout the year), a depreciation value of this asset has been calculated out as £1,713,112,000. This shows a decrease in real terms (actual compared to theoretical value) of £206,893,000, when compared to the previous year the following table can be derived:

<b>Change in Highway Asset Value</b>		
<b>Year</b>	<b>Gross Replacement Cost £'000</b>	<b>Depreciated Replacement Cost £'000</b>
2014-15	£1,783,336	£1,572,422
2015-16	£1,920,005	£1,713,112
Change	£136,669	£140,690

The Gross Costs are the total cost of replacing either the whole of an existing highways network or some part of it with a modern equivalent Asset; the Depreciated Costs is a method of valuation which provides the current cost of replacing an asset with its modern equivalent asset, as defined in the code, less deductions for all physical deterioration and all relevant forms of obsolescence and optimisation.

The table (above) shows that with both the gross costs (costed as newly constructed replacement assets) and the depreciation value (value of the existing asset) show a year on year increase in cost of infrastructure renewal of approximately £136,670,000. This annual increase in costs dwarfs the current annual highway operations budget of approximately £10,000,000; so up-to-date asset assessments need to be conducted, on a frequent enough basis, to deliver the most financially effective maintenance regime.

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## COUNCIL – 22ND NOVEMBER 2016

**SUBJECT: ANNUAL IMPROVEMENT REPORT BY WALES AUDIT OFFICE**

**REPORT BY: ACTING DIRECTOR CORPORATE SERVICES & S151 OFFICER**

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

- 1.1 To inform members of the content of the Annual Improvement Report (AIR) 2015-16 and to advise members on the monitoring process for progressing all proposals for improvement recommended or suggested by the Wales Audit Office (WAO).

### **2. SUMMARY**

- 2.1 This report presents the WAO AIR, which is the Regulator's summary of CCBC's 2015/2016 performance against our statutory duty under the Local Government Measure (Wales) 2009. This report is to inform members of how the Council monitors and tracks proposals for improvement that are made by Regulators so members can have assurance a robust process is in place for following up on recommendations or suggested improvements

### **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'. These arrangements and their effectiveness are assessed by the WAO with the results and summaries of other Regulator work summarised within the AIR.
- 3.2 The findings contained within the WAO AIR inform the Authority's ability to contribute to the Well-being Goals within the Well-being of Future Generations (Wales) Act 2015. Additionally, some of the content and judgements are linked to areas that do support the national Well-being goals (see para 5.1) for example The Welsh Language Commissioner's evaluation of Caerphilly's performance contributes to 'A Wales of vibrant culture and thriving Welsh language'.

### **4. THE REPORT**

- 4.1 We receive three 'outputs' a year from WAO, one provides feedback on the Council's Well-being Objectives that we set for the year ahead and asks if we complied with the legislation in producing them, the second is a letter that looks back at our performance for the previous financial year and the third and final is the AIR which summarises all the Regulator work and their findings throughout the year
- 4.2 As the AIR is a public document summarising other reports received throughout the year, any recommendations or suggestions for improvement made are already known and have already been reported previously to Corporate Management Team, Cabinet and the Audit Committee with any actions to improve documented in a register.

- 4.3 The process adopted is when an Improvement Report is received (in draft) it is sent to Corporate Management Team initially to view the proposals and take a view on whether the proposals are value adding. WAO have added a new protocol this year to formally ask authorities if they agree with the proposals for improvement that are being made.
- 4.4 Once feedback is given and the report is finalised the recommendations or proposals for improvement are recorded in a general Regulator Register. Actions to address them with responsible officers and dates by which they will be done by are also recorded.
- 4.5 The progress against the register is reported to CMT and to Audit Committee, who challenge and monitor progress. The next update is due to Audit Committee 14<sup>th</sup> December 2016.
- 4.6 The headline within the attached report states that: *“Based on and limited to the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Council is likely to comply with the requirements of the Local Government Measure during 2016-17”*
- 4.7 The Auditor General has made no formal recommendations or suggestions for improvement within the AIR on behalf of the WAO.
- 4.8 However, for accuracy the report does repeat 3 areas for improvement that were made earlier in the year by the Care and Social Services Inspectorate Wales (CSSIW) as part of their own annual review. These areas for improvement are mainly to continue working on the areas that were put on the register earlier in the year.

## 5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 As noted in 3.2 the areas that WAO have assessed for performance, contribute to a number of the Well-being Goals, for example:

Content in Report	Page No	Well-being Goal
Estyns Evaluation of Schools	Page 10	A prosperous Wales
CSSIW Annual Review and Evaluation of performance	Page 11	A healthier Wales and a more equal Wales
Welsh Language Commissioner evaluation of Caerphilly County Borough Performance	Page 12	A Wales of vibrant culture and thriving Welsh language
Review of Leisure	Page 12	A healthier Wales and a Wales of vibrant culture and thriving Welsh language
Review of Waste and Recycling	Page 13	A resilient Wales and a globally responsible Wales.
Financial control	Page 16	Connected to all goals as underpins ability to deliver towards goals
Gwent Frailty Programme	Page 18	A healthier Wales and a more equal Wales

The Well-being of Future Generations (Wales) Act is about improving the social, economic, environmental and cultural well-being of Wales. Its aim is to make public bodies listed in the Act think more about the long term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach.

The arrangements that the authority has in place for continuous improvement are considered within the AIR and will strengthen our ability to address these ways of working.

## **6. EQUALITIES IMPLICATIONS**

- 6.1 An Equalities Impact Assessment is not needed because the issues covered are for information purposes only, therefore the Council's full EIA process does not need to be applied.

## **7. FINANCIAL IMPLICATIONS**

- 7.1 There are no financial implications to this report.

## **8. PERSONNEL IMPLICATIONS**

- 8.1 There are no personnel implications to 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 Members note the content and endorse the AIR arrangements for monitoring improvements via the Audit Committee.

## **11. REASONS FOR THE RECOMMENDATIONS**

- 11.1 The AIR is the public report, which tells the public if the council has complied with its statutory duties and how well it has done, therefore it is important Council has opportunity to question content from the AIR and gain assurance that a monitoring process is in place to make any agreed improvements.

## **12. STATUTORY POWER**

- 12.1 Local Government Measure 2009 (Part 2). Well-being of Future Generations Act (Wales) 2015.

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Consultees: Nicole Scammell - Acting Director Corporate Services and Section S151 Officer  
Chris Burns - Interim Chief Executive  
Rob Hartshorn - Head of Public Protection  
Christina Harry – Corporate Director Education & Community Services  
Dave Street – Corporate Director Social Services  
Kathryn Peters – Corporate Policy Manager  
Colin Jones – Head of Performance and Property  
Councillor David Hardacre – Cabinet Member Performance and Property

Appendices:  
Appendix 1 Annual Improvement Report 2015-16

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WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

# Annual Improvement Report 2015-16

## Caerphilly County Borough Council

Issued: September 2016

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This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by Non Jenkins, Sara-Jane Byrne and Allison Rees under the direction of Alan Morris.

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The Auditor General audits local government bodies in Wales, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies and assesses compliance with the requirements of the Local Government (Wales) Measure 2009.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Assembly Commission and National Health Service bodies in Wales.

The Auditor General and staff of the Wales Audit Office aim to provide public-focused and proportionate reporting on the stewardship of public resources and in the process provide insight and promote improvement.

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# Summary report

## About this report

- 1 This Annual Improvement Report (AIR) summarises the audit work undertaken by the staff of the Wales Audit Office on behalf of the Auditor General at Caerphilly County Borough Council (the Council) since the last such report was published in August 2015. This report also includes a summary of the key findings from reports issued by 'relevant regulators', namely: the Care and Social Services Inspectorate Wales (CSSIW); Her Majesty's Inspectorate for Education and Training in Wales (Estyn); and the Welsh Language Commissioner (the Commissioner). Nonetheless, this report does not represent a comprehensive review of all the Council's arrangements or services. The conclusions in this report are based on the work carried out at the Council by relevant external review bodies and, unless stated otherwise, reflect the situation at the point in time that such work was concluded.
- 2 Taking into consideration the work carried out during 2015-16, the Auditor General will state in this report whether he believes that the Council is likely to make arrangements to secure continuous improvement for 2016-17.
- 3 This statement should not be seen as a definitive diagnosis of organisational health or as a prediction of future success. Rather, it should be viewed as providing an opinion on the extent to which the arrangements currently in place are reasonably sound insofar as can be ascertained from the work carried out.
- 4 We want to find out if this report gives you the information you need and whether it is easy to understand. You can let us know your views by e-mailing us at [info@audit.wales](mailto:info@audit.wales) or writing to us at 24 Cathedral Road, Cardiff, CF11 9LJ.

## 2015-16 performance audit work

- 5 The work carried out since the last AIR, including that of the 'relevant regulators', is set out below:

Project name	Brief description
Wales Audit Office Financial Resilience Assessment	Review of the Council's financial position and how it is budgeting and delivering on required savings.
Wales Audit Office Annual 'Improvement Plan' Audit	Review of the Council's published plans for delivering on improvement objectives.
Wales Audit Office Annual 'Assessment of Performance' Audit	Review of the Council's published performance assessment, including testing and validation of performance information.
Wales Audit Office Corporate Governance progress review	Review of arrangements to address external audit, inspection and regulation recommendations, and proposals for improvement.
Wales Audit Office: Sports and Leisure Review	Review of the development of a sport and leisure strategy.
Wales Audit Office: Waste Review	Overview of the Council's progress in considering changes to its waste and recycling service to meet future statutory targets.
Wales Audit Office: Gwent Frailty Programme	A review of the Gwent Frailty Programme to assess whether the Programme had delivered improvements in line with individual organisations' expectations.
Estyn: Evaluation of schools performance	A review of performance across a range of areas within schools in the Council.
CSSIW: Annual Review and Evaluation of Performance	An evaluation of the Council's performance in delivering its social services functions.
Welsh Language Commissioner	The Welsh Language Commissioner's response to the Council's 2014-15 Annual Monitoring Report.

Project name	Brief description
Wales Audit Office: Local Government National reports	<ul style="list-style-type: none"> <li>• Community Safety Partnerships (to be published)</li> <li>• Income generation and charging (to be published)</li> <li>• Council funding of third sector services (to be published)</li> <li>• The financial resilience of councils in Wales (published April 2015)</li> <li>• Achieving improvement in support to schools through regional education consortia – an early review (published June 2015)</li> <li>• Review of Corporate Safeguarding arrangements in Welsh Councils (published July 2015)</li> <li>• Supporting the Independence of Older people: Are Councils Doing Enough? (published October 2015)</li> <li>• Delivering Less – Leisure Services (published December 2015)</li> </ul>

**Based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Council is likely to comply with the requirements of the Measure during 2016-17**

- 6 The Auditor General has reached this conclusion because:
- a The Council complied with its improvement planning and reporting duties under the Measure.
  - b CSSIW reported that the Council continued to take a structured and planned approach to develop and transform services in readiness for the Social Services and Wellbeing (Wales) Act (SSWB Act), and this was also reflected in the objectives set out in the local single improvement plan.
  - c The Council had effective financial control arrangements and a track record of achieving savings in advance. However, it did not have a comprehensive medium-term financial plan, and monitoring progress of savings was fragmented.

- d The Council responded to its financial pressures in 2012 by reviewing its leisure centres and outdoor recreation and leisure facilities, but given its stronger financial position for 2016-17 onwards, the Council can now take stock to adopt a more holistic and strategic approach to reviewing its sports and leisure services to ensure that together they can meet the future needs of its citizens.
- e The Council was taking a measured and mature approach in considering options for its waste and recycling service, and had recognised areas that require strengthening.
- f The Council's response to our recommendations and proposals for improvements was supporting improvement in its self-evaluation and scrutiny arrangements, but further work remained to fully address weaknesses in Internal Audit and Human Resources, some of which were longstanding.
- g The Gwent Frailty Programme had demonstrated positive regional cross-sector partnership working to tackle growing community-based needs, but it had not evidenced tangible improved outcomes, which would be important as partners determine the future of the programme.
- h The Council had further improved its data quality assurance arrangements, resulting in increasingly robust data quality.
- i Internal investigations are continuing in relation to the issues concerning some senior officers. Consequently, there are a number of interim or acting posts at senior management level and a degree of uncertainty remains at the Council until the internal investigations are concluded.

## Recommendations

- 7 Given the wide range of services provided by the Council and the challenges it is facing, it would be unusual if we did not find things that can be improved. The Auditor General is able to:
  - a make proposals for improvement – if proposals are made to the Council we would expect it to do something about them, and we will follow up what happens;
  - b make formal recommendations for improvement – if a formal recommendation is made, the Council must prepare a response to that recommendation within 30 working days;
  - c conduct a special inspection, and publish a report and make recommendations; and
  - d recommend to Ministers of the Welsh Government that they intervene in some way.

- 8 The Auditor General has not made any formal recommendations for improvement in the work undertaken and finalised at the Council during 2015-16.
- 9 Areas for Improvement (AFIs) made by CSSIW during the course of the year are set out below.

#### CSSIW's Annual review and evaluation of performance 2014-15

##### AFI1

- The council is aware that there is a need to progress the joint commissioning of service for older people and this should be prioritised with health partners.
- Take forward recommendations outlined in CSSIW's report following a site visit to Listen Engage Act Participate (LEAP) and the relevance of these for other services within social services.

##### AFI2

- Ensure the new quality assurance framework reflects methods of monitoring progress of the children's strategy.

##### AFI3

- Continue to develop scrutiny arrangements.
- Corporate parenting board to demonstrate clear methods for consulting with children and young people.



# Detailed report



# Performance

## Audit of Caerphilly County Borough Council's 2015-16 Improvement Plan

- 10 On 7 July 2015, we issued a certificate confirming that the Council had discharged its duties under section 15(6) to (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties. The certificate is contained in [Appendix 2](#).

## Certificate of compliance for the Audit of Caerphilly County Borough Council's assessment of 2014-15 performance

- 11 On 6 November 2015, we issued a certificate of Compliance for the audit of the Council's assessment of 2014-15 performance. The certificate confirms that the Council has discharged its duties under sections 15(2), (3), (8) and (9) of the Measure. Our certificate is contained in [Appendix 3](#).

## Estyn's evaluation of school performance

- 12 The proportion of pupils eligible for free school meals in Caerphilly is much higher than the Wales average. This is taken into account by Estyn when evaluating the performance of the authority.
- 13 Estyn concluded that in the Foundation Phase, performance has improved since 2012, placing the authority well above the Wales average. Performance in the key stage 2 and key stage 3 core subject indicator has also improved over the last three years. For key stage 2, this performance is close to the Wales average. However, for key stage 3, performance in the core subject indicator is below the benchmark for performance set by the Welsh Government in 2015.
- 14 Estyn concluded that at key stage 4, the level 2 threshold including English or Welsh, and mathematics, has improved over the past three years and has met the benchmark for performance set by the Welsh Government in 2015. Performance in the capped points score has also improved over the past three years and is closer to the benchmark for performance set by the Welsh Government in 2015. The percentage of pupils achieving the level 1 threshold is higher than the Wales average, and the authority had a higher average than similar authorities in this indicator.
- 15 Estyn concluded that the performance of pupils eligible for free school meals is improving, although the gap in attainment between those eligible and not eligible remains similar over time as the performance of all pupils improves.
- 16 Estyn concluded that there is a steady trend of improvement in attendance in primary schools, although over time attendance remains below Wales' averages. In secondary schools, attendance has declined slightly in 2015 and secondary school attendance is the lowest in Wales.

**CSSIW reported that the Council continued to take a structured and planned approach to develop and transform services in readiness for the Social Services and Wellbeing (Wales) Act (SSWB Act), and this was also reflected in the objectives set out in the local single improvement plan**

- 17 CSSIW published its **Annual Review and Evaluation of Performance 2014-15** in October 2015.
- 18 CSSIW concluded that the Council continued to take a structured and planned approach to develop and transform services in readiness for the SSWB Act, and this was also reflected in the objectives set out in the local single improvement plan. The annual report of the director of social services provided a comprehensive picture of the current status of social services in Caerphilly. This included a reflection on the previous year's priorities and achievements, and areas for development in the year ahead. It identified that the department is on track to achieve the medium-term financial plan, although, this was within recognised limited resource and had become more reliant on successful bids for additional funding and grants.
- 19 CSSIW concluded that solid foundations built in the previous year enabled the Council to make progress in both adult and children's services. Clear planning set the direction for prioritising, reviewing, and the development of new services, reflecting local need and national legislative change. This involved restructuring existing teams and services as well as exploration of new ways of working, and included working with local authority, Aneurin Bevan University Health Board (ABUHB), and third sector partners.
- 20 CSSIW concluded that the corporate management structure and governance arrangements provided support to enable social services to continue development, and the introduction of a new quality assurance framework should enhance oversight of the service as a whole.
- 21 CSSIW concluded that the Council worked constructively with regulators and made good progress in relation to areas for improvement in CSSIW's performance report 2014-15. The Council continued to work with regional partners in both health and third sector to build on strengths and trial new ways of working. Continued development of these relationships would be crucial to successful working and implementation of the SSWB Act.

- 22 CSSIW concluded that continued support at corporate level for equality and the Welsh language was evident within the director's report, and there was progress towards meeting the requirements of 'More than Just Words', the Welsh Government's strategic framework for Welsh language services in health and social care.

## Welsh Language Commissioner's evaluation of Caerphilly County Borough Council's performance

- 23 The role of the Commissioner was created by the Welsh Language (Wales) Measure 2011. New powers to impose standards on organisations came into force through subordinate legislation on 31 March 2015. The Commissioner will continue to review Welsh language schemes by virtue of powers inherited under the Welsh Language Act 1993.
- 24 The Commissioner works with all the Councils in Wales to inspect and advise on the implementation of language schemes. It is the responsibility of councils to provide services to the public in Welsh in accordance with the commitments in their language schemes. Every council is committed to providing an annual monitoring report to the Commissioner outlining its performance in implementing the language scheme. The Commissioner analyses every monitoring report, provides a formal response and collects further information as required.
- 25 The Commissioner's formal response and letters issued to the Council during the year are available on the [Commissioner's website](#).

## The Council responded to its financial pressures in 2012 by reviewing its leisure centres and outdoor recreation and leisure facilities, but given its stronger financial position for 2016-17 onwards, the Council can now take stock to adopt a more holistic and strategic approach to reviewing its sports and leisure services to ensure that together they can meet the future needs of its citizens

- 26 In November 2015, we undertook a review of whether the Council's Sport and Leisure Strategy was likely to meet the future needs of the Council and its citizens. Our report was issued to the Council in May 2015.
- 27 Our review concluded that the Council had responded to its financial pressures in 2012 by reviewing its leisure centres and outdoor recreation and leisure facilities. But, given its stronger financial position for 2016-17 onwards, the Council can now take stock to adopt a more holistic and strategic approach to reviewing its sports and leisure services to ensure that together they can meet the future needs of its citizens.

28 We came to this conclusion because:

- a the Council had reviewed its core leisure facilities but did not yet have a clear vision or an integrated sports and leisure strategy that set a clear direction for future leisure provision;
- b whilst there had been some good examples of stakeholder engagement, the Council lacked a project and engagement plan for developing an integrated sports and leisure strategy;
- c the Council had substantial budgetary pressures over the medium term, but had not yet fully addressed the growing financial risks in sports and leisure services; and
- d until recently, the Council's approach to addressing the challenges facing sports and leisure services had not been sufficiently strategic, but the Council was now strengthening its project management arrangements to help resolve this.

**The Council was taking a measured and mature approach in considering options for its waste and recycling service and had recognised areas that require strengthening**

29 We noted a number of positive aspects to the Council's approach including:

- a There was clear corporate ownership amongst members and officers of the approach to date.
- b Officers and senior cabinet members clearly understood the rationale for considering different options for its waste services.
- c The Council had knowledgeable and experienced officers within the waste and recycling service.
- d There had been early engagement of key senior officers, for example from finance and procurement, in consideration of different options.
- e The Council was pro-actively engaging with the Waste and Resources Action Programme (WRAP).
- f Officers had provided constructive challenge to the Kerbside Analysis Tool modelling exercises. This challenge was underpinned by the desire to ensure the Caerphilly local context was at the forefront of any consideration to service change, recognising that satisfaction levels of residents and members with the existing service was good.

- g The Council had not simply waited for the outcome of the work it is doing with WRAP to address its declining recycling performance. It had been proactive in addressing the problems associated with high levels of recyclate contamination, which contributed to its declining recycling performance in 2014-15.
  - h Members and officers had been proactively learning from the experience of other councils that had undergone a change to their waste and recycling collection arrangements, developed a Waste Transfer Station, and/or developed or expanded a Household Waste Recycling Centre.
  - i The Council's provisional 2015-16 end of year recycling performance was about 62 per cent, exceeding the statutory target of 58 per cent. The next statutory recycling target is 64 per cent in 2019-20M, so the Council was already making significant progress towards meeting this target.
- 30 Our review identified some areas, which we feel the Council would benefit from strengthening or developing further, such as:
- a Although the Council had not had a detailed project plan to shape its activities to date, this had not hindered the Council's progress. However, a formal project plan would be beneficial as the Council approaches key decisions about its waste services, to facilitate ongoing monitoring and implementation of key actions, timescales and decisions.
  - b The Council had a draft project plan and this needed to be updated and expanded as information and timings became more certain. The Council recognised that it needed a communication and engagement plan to do this, and we urged the Council to develop this as part of its project plan.
  - c The Council should ensure there is a robust and detailed assessment of options, which evaluates the impact, risk, sustainability, projected performance, and cost of each option. It is important that officers provide members with a full and robust options appraisal to enable them to make informed decisions on the future waste and recycling service requirements. Any options presented to members need to consider the requirements of the Well-being and Future Generations Act (Wales) 2015.



- d In order to develop an alternative solution to the current Material Recovery Facility contract with the City of Cardiff Council, the Council was considering taking a decision on whether to invest in a new Waste Transfer Station in autumn 2016. The draft project plan stated that the Council would make a decision on whether to change the service collection in autumn 2017. Ideally, the Council should consider taking these two key decisions on its waste and recycling activities at the same time. Future decisions on the Council's collection arrangements may influence the design of the waste transfer station. The Council needed to assure itself that it had considered all possibilities and implications of making these key decisions at different times. The Kerbside Analysis Tool modelling report only provided high-level costs for the development of a new waste transfer station, and the Council recognised that it needed a more detailed business case.

### **The Council had further improved its data quality assurance arrangements, resulting in increasingly robust data quality**

- 31 In October 2015, we assessed the robustness of the Council's arrangements to check that performance data is accurately captured, calculated and reported in a timely manner. We presented our findings to the Council's Audit Committee in November 2015.
- 32 Across the six performance indicators we examined, there were no major issues of accuracy or processes, indicating that corporate arrangements are effective. We identified a number of strengths in the Council's corporate arrangements, such as its risk assessment of national and local indicators, the use of standard data collection and assessment forms, as well as clear ownership of performance data within the directorates.
- 33 We suggested some ways in which the Council could further strengthen its data quality arrangements further. For example, escalating cases of late or non-completion of corporate forms, and focussing on local indicator definitions to ensure that systems are designed in a way to collect relevant data as accurately as possible. The Council is now in a better position to strengthen how it uses performance information to improve services.

# Use of resources

## Audit of the Council's accounts

- 34 On 27 November 2015, the Auditor General issued an Annual Audit Letter to the Council. The letter summarises the key messages arising from his statutory responsibilities under the Public Audit (Wales) Act 2004 as the Appointed Auditor, and his reporting responsibilities under the Code of Audit Practice. The Auditor General issued an unqualified opinion on the Council's accounting statements confirming that they present a true and fair view of the Council's financial position and transactions. The Annual Audit Letter can be found in [Appendix 4](#) of this report.

## **The Council had effective financial control arrangements and a track record of achieving savings in advance. However, it did not have a comprehensive medium-term financial plan, and monitoring progress of savings was fragmented.**

- 35 In April 2015, we published a national report on 'The financial resilience of councils in Wales'. This report was based on fieldwork carried out in all Welsh local councils.
- 36 Given the continuing pressures on funding for councils in Wales, we considered whether the Council had appropriate arrangements to plan, to secure and maintain its financial resilience in the medium term (typically three to five years ahead). We undertook a review during the period May to December 2015, and followed up issues highlighted in our 2014-15 financial resilience work. The focus of this review was on the delivery of 2014-15 savings plans, and the 2015-16 financial planning period. We issued this local report to the Council in April 2016.
- 37 Overall, we concluded that the Council had effective financial control arrangements and a track record of achieving savings in advance. However, the Council did not have a comprehensive medium-term financial plan, and monitoring progress of savings was fragmented. We came to this conclusion based on our findings in relation to financial planning, financial control, and financial governance arrangements:
- a the Council had a track record of operating within its budget, but its medium-term financial plan and supporting savings plans for future years were not yet fully developed;
  - b the Council's financial control arrangements were generally effective; and
  - c the Council's financial governance arrangements were generally sound, but there was a lack of regular whole Council savings monitoring reports to members.



# Governance

## The Council's response to our recommendations and proposals for improvements was supporting improvement in its self-evaluation and scrutiny arrangements, but further work remained to fully address weaknesses in Internal Audit and Human Resources, some of which were longstanding

- 38 In spring 2016, we undertook a review to assess the Council's progress in implementing recommendations from our previous work. We did this by undertaking specific follow-up work to determine progress in addressing the recommendations made in areas for improvement arising from the Special Inspection report published in January 2014, the Follow-up of the Special Inspection published in January 2015 and previous audit work relating to:
- a Self-evaluation
  - b HR and workforce planning
  - c Internal audit
  - d Scrutiny
- 39 Our review concluded that the Council's response to our recommendations and proposals for improvements was supporting improvement in its self-evaluation and scrutiny arrangements, but further work remained to fully address weaknesses in Internal Audit and Human Resources, some of which were longstanding.
- 40 We came to this conclusion because we found that:
- a the Council had arrangements in place to address external review recommendations and proposals for improvement but we had concerns that they had not been used effectively in driving the pace of improvement in some key priority areas;
  - b the Council had strengthened its approach to self-evaluation although there is scope to ensure critical workforce issues were consistently identified and addressed through service plans;
  - c the Council now had an agreed Human Resources strategy and workforce planning activities were taking place but as the Council develops its vision and considers the future shape of the organisation, it would benefit from identifying its workforce requirements more strategically to implement this vision;

1 Unless stated otherwise, the 'Programme' covers the committees and working groups, members and staff, and the overall delivery and service model.

2 The Section 33 agreement provides a formal basis for partnership working. The partners can employ a section 33 agreement as a mechanism to create pooled revenue and capital funding. The host's financial management and financial accounting rules apply. This means that the joint service can reclaim VAT as well as utilising other financial flexibilities available to local government bodies.

3 For the purposes of this report, reference to Programme Committees covers the Gwent Frailty Joint Committee, Operational Co-ordinating Group, the range of specialist sub-groups and local implementation structures.

- d whilst there were some signs that the Council was starting to improve the use of its Internal Audit service, progress had been slow until more recently and the Council would benefit from developing a wider assurance framework so that it can be assured that it was addressing its key risks; and
- e the Council was taking action to improve the effectiveness of scrutiny but the full impact of the changes would not be evident until later this year.

### **The Gwent Frailty Programme had demonstrated positive regional cross-sector partnership working to tackle growing community-based needs, but it had not evidenced tangible improved outcomes, which would be important as partners determine the future of the programme**

- 41 From April 2011, ABUHB and Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen Councils began implementing an ambitious integrated model of care called the Gwent Frailty Programme (the Programme)<sup>1</sup>. The Programme was funded by a Welsh Government Invest to Save loan and contributions from respective partners to create a pooled fund.
- 42 The Programme has legal status under a Section 33 partnership agreement<sup>2</sup> between ABUHB and the five Gwent councils. The agreement ran for three years commencing in April 2011. A Gwent Frailty Joint Committee was created as a decision-making body holding formal accountability under the Section 33 agreement. An Operational Co-ordinating Group, a range of specialist sub-groups, and local implementation structures also supported the work of the Frailty Programme Joint Committee<sup>3</sup>.
- 43 In November 2012, we reviewed the Programme and found that partners were strongly committed to the Gwent Frailty vision and had created a sound programme management framework to underpin it. We recognised that the Programme was in the early stages of implementation and it faced challenges to ensure the Programme was sustainable, to change established working practices, and to demonstrate its impact.
- 44 Our latest review in May 2015 focused on whether the Programme had delivered improvements in line with individual organisations' expectations.
- 45 We concluded that 'the Programme had demonstrated positive regional cross-sector partnership working to tackle growing community-based needs, but it had not evidenced tangible improved outcomes, which would be important as partners determine the future of the programme'.

46 We reached this conclusion because:

- a The Programme successfully brought together partners who invested time and resources to improve outcomes for frail elderly people, but the financial aims were not achieved, and outcomes remained difficult for partners to evidence.
- b Governance arrangements over the lifetime of the programme had been generally adequate but the Programme could have engaged partners better, benefited from clearer information and been more open about its business. We found that:
  - the governance arrangements provided for timely decision-making but partner organisations were not always kept adequately informed of important issues affecting the Programme, such as the emerging large underspend;
  - financial reporting arrangements within the Programme were adequate but performance reporting was not fit for purpose;
  - public transparency and decision recording started well but became weaker over time; and
  - routine scrutiny of decisions by the Gwent Frailty Joint Committee was not robust, although most partners reported annually through their own scrutiny arrangements.
- c The Programme benefited from strong commitment and was at a pivotal point in its journey but needed clarity of vision to succeed. We found that:
  - the Programme had benefited from a strong commitment from the partner organisations, this needed to be re-confirmed in the context of the financial and operational challenges facing the individual organisations; and
  - the future direction of the Programme was unclear, the partnership was at a pivotal point and partners were yet to agree a clear vision, which would need measurable outcomes and benefits.

# Appendix 1 – Status of this report

The Local Government (Wales) Measure 2009 (the Measure) requires the Auditor General to undertake an annual improvement assessment, and to publish an annual improvement report, for each improvement authority in Wales. This requirement covers local councils, national parks, and fire and rescue authorities.

This report has been produced by staff of the Wales Audit Office on behalf of the Auditor General to discharge his duties under section 24 of the Measure. The report also discharges his duties under section 19 to issue a report certifying that he has carried out an improvement assessment under section 18 and stating whether, as a result of his improvement plan audit under section 17, he believes that the authority has discharged its improvement planning duties under section 15.

Improvement authorities are under a general duty to ‘make arrangements to secure continuous improvement in the exercise of [their] functions’. Improvement authorities are defined as local councils, national parks, and fire and rescue authorities.

The annual improvement assessment is the main piece of work that enables the Auditor General to fulfil his duties. The improvement assessment is a forward-looking assessment of an authority’s likelihood to comply with its duty to make arrangements to secure continuous improvement. It also includes a retrospective assessment of whether an authority has achieved its planned improvements in order to inform a view as to the authority’s track record of improvement. The Auditor General will summarise his audit and assessment work in a published annual improvement report for each authority (under section 24).

The Auditor General may also, in some circumstances, carry out special inspections (under section 21), which will be reported to the authority and Ministers, and which he may publish (under section 22). An important ancillary activity for the Auditor General is the co-ordination of assessment and regulatory work (required by section 23), which takes into consideration the overall programme of work of all relevant regulators at an improvement authority. The Auditor General may also take account of information shared by relevant regulators (under section 33) in his assessments.

# Appendix 2 – Audit of Caerphilly County Borough Council's 2015-16 Improvement Plan

## Certificate

I certify that I have audited Caerphilly County Borough Council's (the Council) Improvement Plan in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Council has discharged its duties under section 15(6) to (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

## Respective responsibilities of the Council and the Auditor General

Under the Measure, the Council is required to prepare and publish an Improvement Plan describing its plans to discharge its duties to:

- make arrangements to secure continuous improvement in the exercise of its functions;
- make arrangements to secure achievement of its improvement objectives; and
- make arrangements to exercise its functions so that any performance standard specified by Welsh Ministers is met.

The Measure requires the Council to publish its Improvement Plan as soon as is reasonably practicable after the start of the financial year to which it relates, or after such other date as Welsh Ministers may specify by order.

The Council is responsible for preparing the Improvement Plan and for the information set out within it. The Measure requires that the Council has regard to guidance issued by Welsh Ministers in preparing and publishing its plan.

As the Council's auditor, I am required under sections 17 and 19 of the Measure to carry out an audit of the Improvement Plan, to certify that I have done so, and to report whether I believe that the Council has discharged its duties to prepare and publish an Improvement Plan in accordance with statutory requirements set out in section 15 and statutory guidance.

## Scope of the Improvement Plan audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit, I am not required to form a view on the completeness or accuracy of information, or whether the Improvement Plan published by the Council can be achieved. Other assessment work that I will undertake under section 18 of the Measure will examine these issues. My audit of the Council's Improvement Plan, therefore, comprised a review of the plan to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the plan complied with the requirements of the legislation, and that the Council had regard to statutory guidance in preparing and publishing its plan.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

### **Huw Vaughan Thomas**

Auditor General For Wales

CC: Leighton Andrews, Minister for Public Services  
Non Jenkins, Manager  
Martin Gibson, Performance Audit Lead

# Appendix 3 – Audit of Caerphilly County Borough Council’s assessment of 2014-15 performance

## Certificate

I certify that, following publication on 9 October 2015, I have audited Caerphilly County Borough Council’s (the Council) assessment of its performance in 2014-15 in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Council has discharged its duties under sections 15(2), (3), (8) and (9) of the Measure, and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

## Respective responsibilities of the Council and the Auditor General

Under the Measure, the Council is required to annually publish an assessment which describes its performance:

- in discharging its duty to make arrangements to secure continuous improvement in the exercise of its functions;
- in meeting the improvement objectives it has set itself;
- by reference to performance indicators specified by Welsh Ministers, and self-imposed performance indicators; and
- in meeting any performance standards specified by Welsh Ministers, and self-imposed performance standards.

The Measure requires the Council to publish its assessment before 31 October in the financial year following that to which the information relates, or by any other such date as Welsh Ministers may specify by order.

The Measure requires that the Council has regard to guidance issued by Welsh Ministers in publishing its assessment.

As the Council’s auditor, I am required under sections 17 and 19 of the Measure to carry out an audit to determine whether the Council has discharged its duty to publish an assessment of performance, to certify that I have done so, and to report whether I believe that the Council has discharged its duties in accordance with statutory requirements set out in section 15 and statutory guidance.

## Scope of the audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information. Other assessment work that I will undertake under section 18 of the Measure may examine these issues. My audit of the Council's assessment of performance, therefore, comprised a review of the Council's publication to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the assessment complied with the requirements of the legislation, and that the Council had regard to statutory guidance in preparing and publishing it.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

### **Huw Vaughan Thomas**

Auditor General For Wales

CC: Leighton Andrews, Minister for Public Services  
Non Jenkins, Manager  
Sara-Jane Byrne, Performance Audit Lead



# Appendix 4 – Annual Audit Letter

Councillor Keith Reynolds  
Leader  
Caerphilly County Borough Council  
Penallta House  
Tredomen Park  
Ystrad Mynach  
CF82 7PG

27 November 2015

Dear Councillor Reynolds

## Annual Audit Letter — Caerphilly County Borough Council 2014-15

This letter summarises the key messages arising from the Auditor General for Wales' statutory responsibilities under the Public Audit (Wales) Act 2004 and my reporting responsibilities under the Code of Audit Practice.

### The Council complied with its responsibilities relating to financial reporting and use of resources

It is the Council's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions, and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This code is based on International Financial Reporting Standards. On 30 September 2015, I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Council's financial position and transactions. My report is contained within the Statement of Accounts. The key matters arising from the accounts audit were reported to members of the Audit Committee in my Audit of Financial Statements report on 9 September 2015, and in an update letter on 29 September 2015.

A significant adjustment of £30m was made to the statement of accounts in respect of the valuation of Council Dwellings, which arose when more recent financial information was used to update the valuation.

**I am satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources**

My consideration of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government (Wales) Measure 2009. My Annual Improvement Report will highlight areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made.

**I have not yet issued a certificate confirming that the audit of the accounts has been completed, but following the recent court judgement in the proceedings against certain members of the senior management team I intend to issue this certificate in the near future**

My work to date on certification of grant claims and returns has not identified significant issues that would impact on the 2015-16 accounts or key financial systems.

A more detailed report on my grant certification work will follow in early 2016 once this year's programme of certification work is complete.

The financial audit fee for 2014-15 is currently expected to be in line with the agreed fee set out in the Annual Audit Outline.

Yours sincerely

**Lynn Pamment**

For and on behalf of the Auditor General for Wales

# Appendix 5 – National report recommendations 2015-16

Date of report	Title of review	Recommendation
April 2015	<p><b>The Financial Resilience of Councils in Wales</b></p>	<p>R1 Councils should ensure that their corporate plan:</p> <ul style="list-style-type: none"> <li>• is the core driver for the service plans and other supporting strategies including workforce, information technology and capital expenditure;</li> <li>• maintains at least a three to five year forward view and is aligned with the medium term financial plan and other supporting strategies; and</li> <li>• should clearly articulate the desired role of the council in five years – the model for delivering priority services and the infrastructure and resources needed to deliver future priorities within available finances.</li> </ul> <p>R2 The medium term financial plan should identify the major financial risks and key assumptions and senior officers and councillors should subject them to effective scrutiny and challenge before adopting the plan.</p> <p>R3 Councils need to ensure that funding deficits are accurately projected and fully reconciled to detailed savings plans for each year over the life of the medium term financial plan.</p> <p>R4 Councils should review the adequacy of the financial assurance arrangements that underpin the delivery of annual savings plans, including the level of scrutiny and challenge provided by councillors.</p> <p>R5 Councils should ensure that they have a comprehensive reserves strategy that outlines the specific purpose of accumulated useable reserves as part of their Medium term Financial Plan.</p> <p>R6 Councils should develop corporate wide policies on income generation with a view to increasing revenue streams and relieving financial pressures.</p> <p>R7 Councils should:</p> <ul style="list-style-type: none"> <li>• strengthen budget setting and monitoring arrangements to ensure financial resilience; and</li> <li>• review the coverage and effectiveness of their internal and external assurance financial systems and controls to ensure they are fit for purpose and provide early warning of weaknesses in key systems.</li> </ul>

Date of report	Title of review	Recommendation
April 2015	<p><b>The Financial Resilience of Councils in Wales</b></p>	<p>R8 Councils must review their finance teams and ensure that they have sufficient capacity and capability to meet future demands.</p> <p>R9 Council officers need to equip councillors with the knowledge and skills they need to deliver effective governance and challenge by extending training opportunities and producing high quality management information.</p>
June 2015	<p><b>Achieving improvement in support to schools through regional education consortia – an early view</b></p>	<p>R1 To clarify the nature and operation of consortia. We found there to be continuing uncertainty about some aspects of the nature of regional consortia and their present and future scope (paragraphs 2.2 to 2.20). We therefore recommend:</p> <ul style="list-style-type: none"> <li>Local authorities should clarify whether consortia services are jointly provided or are commissioned services (services provided under joint-committee arrangements are jointly provided services and are not commissioned services).</li> </ul> <p>R2 To focus on outcomes through medium-term planning. We found that the development of effective regional consortia was hindered by a focus on short-term actions and uncertainty about the future of consortia (paragraphs 2.33 to 2.36; 3.16 to 3.17). We therefore recommend:</p> <ul style="list-style-type: none"> <li>As any possible local authority re-organisation will not be fully implemented until 2020, the Welsh Government and regional consortia should develop three-year plans for the further development, scope, and funding of regional consortia linked to appropriate strategic objectives.</li> </ul>

Date of report	Title of review	Recommendation
June 2015	<p>Achieving improvement in support to schools through regional education consortia – an early view</p>	<p>R3 To develop more collaborative relationships for the school improvement system. The development of the National Model for Regional Working involved many school improvement partners but we found that this had not led to the development of sufficiently collaborative relationships (paragraphs 2.25 to 2.32). We therefore recommend:</p> <ul style="list-style-type: none"> <li>• Regional consortia should develop improved arrangements for sharing practice and supporting efficiency (for example, one consortium could take the lead on tackling an issue or have functional responsibility for the development of a policy).</li> <li>• The Welsh Government, local authorities and regional consortia should recognise the interdependency of all partners fulfilling their school improvement roles and agree an approach to: <ul style="list-style-type: none"> <li>– information sharing and consultation about developments related to school improvement;</li> <li>– developing collaborative relationships of shared accountability; and</li> <li>– undertaking system wide reviews, and an alignment of the understanding and position of regional consortia across all Welsh Government relevant strategies.</li> </ul> </li> </ul> <p>R4 To build effective leadership and attract top talent. Regional consortia, local authorities and the Welsh Government have all found difficulties in recruiting to senior leadership for education and we found there had been limited action to address this (paragraphs 2.37 to 2.40). We therefore recommend:</p> <ul style="list-style-type: none"> <li>• the Welsh Government and local authorities should collaborate to improve the attractiveness of education leadership roles to attract the most talented leaders for the school improvement system; and</li> <li>• local authorities should collaborate to support the professional development of senior leaders and to ensure appropriate performance management arrangements are in place for senior leaders.</li> </ul>

Date of report	Title of review	Recommendation
June 2015	Achieving improvement in support to schools through regional education consortia – an early view	<p>R5 To improve the effectiveness of governance and management of regional consortia. Whilst continuing progress is being made, we found that regional consortia have not yet developed fully effective governance and financial management arrangements (paragraphs 3.2 to 3.36). We therefore recommend that local authorities and their regional consortia should:</p> <ul style="list-style-type: none"> <li>• improve their use of self-evaluation of their performance and governance arrangements and use this to support business planning and their annual reviews of governance to inform their annual governance statements;</li> <li>• improve performance management including better business planning, use of clear and measurable performance measures, and the assessment of value for money;</li> <li>• make strategic risk management an integral part of their management arrangements and report regularly at joint committee or board level;</li> <li>• develop their financial management arrangements to ensure that budgeting, financial monitoring and reporting cover all relevant income and expenditure, including grants funding spent through local authorities;</li> <li>• develop joint scrutiny arrangements of the overall consortia as well as scrutiny of performance by individual authorities, which may involve establishment of a joint scrutiny committee or co-ordinated work by local authority scrutiny committees;</li> <li>• ensure the openness and transparency of consortia decision making and arrangements;</li> <li>• recognise and address any potential conflicts of interest; and where staff have more than one employer, regional consortia should ensure lines of accountability are clear and all staff are aware of the roles undertaken; and</li> <li>• develop robust communications strategies for engagement with all key stakeholders.</li> </ul>

Date of report	Title of review	Recommendation
July 2015	Review of Corporate Safeguarding Arrangements in Welsh Councils	<p>R1 Improve corporate leadership and comply with Welsh Government policy on safeguarding through:</p> <ul style="list-style-type: none"> <li>• the appointment of a senior lead officer who is accountable for safeguarding and protecting children and young people with corporate responsibilities for planning improvements;</li> <li>• the appointment of a lead member for safeguarding; and</li> <li>• regularly disseminating and updating information on these appointments to all staff and stakeholders.</li> </ul> <p>R2 Ensure there is a corporate-wide policy on safeguarding covering all Council services to provide a clear strategic direction and clear lines of accountability across the Council.</p> <p>R3 Strengthen safe recruitment of staff and volunteers by:</p> <ul style="list-style-type: none"> <li>• ensuring that Disclosure and Barring Service (DBS) checks and compliance with safe recruitment policies cover all services that come into contact with children;</li> <li>• creating an integrated corporate compliance system to record and monitor compliance levels on DBS checks; and</li> <li>• requiring safe recruitment practices amongst partners in the third sector and for volunteers who provide services commissioned and/or used by the Council which are underpinned by a contract or service level agreement.</li> </ul> <p>R4 Ensure all relevant staff, members and partners understand their safeguarding responsibilities by:</p> <ul style="list-style-type: none"> <li>• ensuring safeguarding training is mandated and coverage extended to all relevant Council service areas, and is included as standard on induction programmes;</li> <li>• creating a corporate-wide system to identify, track and monitor compliance on attending safeguarding training in all Council departments, elected members, schools, governors and volunteers; and</li> <li>• requiring relevant staff in partner organisations who are commissioned to work for the Council in delivering services to children and young people to undertake safeguarding training.</li> </ul>

Date of report	Title of review	Recommendation
July 2015	<p>Review of Corporate Safeguarding Arrangements in Welsh Councils</p>	<p>R5 In revising guidance, the Welsh Government should clarify its expectations of local authorities regarding the roles and responsibilities of the designated officer within education services, and the named person at senior management level responsible for promoting the safeguarding.</p> <p>R6 Improve accountability for corporate safeguarding by regularly reporting safeguarding issues and assurances to scrutiny committee(s) against a balanced and Council-wide set of performance information covering:</p> <ul style="list-style-type: none"> <li>• benchmarking and comparisons with others;</li> <li>• conclusions of internal and external audit/ inspection reviews;</li> <li>• service-based performance data;</li> <li>• key personnel data such as safeguarding training, and DBS recruitment checks; and</li> <li>• the performance of contractors and commissioned services on compliance with Council safeguarding responsibilities.</li> </ul> <p>R7 Establish a rolling programme of internal audit reviews to undertake systems testing and compliance reviews on the Council's safeguarding practices.</p> <p>R8 Ensure the risks associated with safeguarding are considered at both a corporate and service level in developing and agreeing risk management plans across the Council.</p>



Date of report	Title of review	Recommendation
October 2015	Supporting the Independence of Older People: Are Councils Doing Enough?	<p>R1 Improve governance, accountability and corporate leadership on older people's issues through:</p> <ul style="list-style-type: none"> <li>• the appointment of a senior lead officer who is accountable for coordinating and leading the Council's work on older people's services;</li> <li>• realigning the work of the older people's strategy coordinators to support development and delivery of plans for services that contribute to the independence of older people;</li> <li>• the appointment of a member champion for older people's services; and</li> <li>• regularly disseminating and updating information on these appointments to all staff and stakeholders.</li> </ul> <p>R2 Improve strategic planning and better coordinate activity for services to older people by:</p> <ul style="list-style-type: none"> <li>• ensuring comprehensive action plans are in place that cover the work of all relevant council departments and the work of external stakeholders outside of health and social care; and</li> <li>• engaging with residents and partners in the development of plans, and in developing and agreeing priorities.</li> </ul> <p>R3 Improve engagement with, and dissemination of, information to older people by ensuring advice and information services are appropriately configured and meet the needs of the recipients.</p> <p>R4 Ensure effective management of performance for the range of services that support older people to live independently by:</p> <ul style="list-style-type: none"> <li>• setting appropriate measures to enable Members, officers and the public to judge progress in delivering actions for all council services;</li> <li>• ensuring performance information covers the work of all relevant agencies and especially those outside of health and social services; and</li> <li>• establishing measures to judge inputs, outputs and impact to be able to understand the effect of budget cuts and support oversight and scrutiny.</li> </ul>

Date of report	Title of review	Recommendation
October 2015	<p>Supporting the Independence of Older People: Are Councils Doing Enough?</p>	<p>R5 Ensure compliance with the Public Sector Equality Duty when undertaking equality impact assessments by:</p> <ul style="list-style-type: none"> <li>• setting out how changes to services or cuts in budgets will affect groups with protected characteristics;</li> <li>• quantifying the potential impact and the mitigation actions that will be delivered to reduce the potentially negative effect on groups with protected characteristics;</li> <li>• indicating the potential numbers who would be affected by the proposed changes or new policy by identifying the impact on those with protected characteristics; and</li> <li>• ensuring supporting activity such as surveys, focus groups and information campaigns includes sufficient information to enable service users to clearly understand the impact of proposed changes on them.</li> </ul> <p>R6 Improve the management and impact of the Intermediate Care Fund by:</p> <ul style="list-style-type: none"> <li>• setting a performance baseline at the start of projects to be able to judge the impact of these overtime;</li> <li>• agreeing the format and coverage of monitoring reports to enable funded projects to be evaluated on a like-for-like basis against the criteria for the fund, to judge which are having the greatest positive impact and how many schemes have been mainstreamed into core funding; and</li> <li>• improving engagement with the full range of partners to ensure as wide a range of partners are encouraged to participate in future initiatives and programmes.</li> </ul>

Date of report	Title of review	Recommendation
December 2015	Delivering with less – leisure services	<p>R1 Improve strategic planning in leisure services by:</p> <ul style="list-style-type: none"> <li>• setting an agreed council vision for leisure services;</li> <li>• agreeing priorities for leisure services;</li> <li>• focusing on the Council’s position within the wider community sport and leisure provision within the area; and</li> <li>• considering the potential to deliver services on a regional basis.</li> </ul> <p>R2 Undertake an options appraisal to identify the most appropriate delivery model based on the Council’s agreed vision and priorities for leisure services which considers:</p> <ul style="list-style-type: none"> <li>• the availability of capital and revenue financing in the next three-to-five years;</li> <li>• options to improve the commercial focus of leisure services;</li> <li>• opportunities to improve income generation and reduce council ‘subsidy’;</li> <li>• a cost-benefit analysis of all the options available to deliver leisure services in the future;</li> <li>• the contribution of leisure services to the Council’s wider public health role;</li> <li>• better engagement with the public to ensure the views and needs of users and potential users are clearly identified;</li> <li>• the impact of different options on groups with protected characteristics under the public sector equality duty; and</li> <li>• the sustainability of service provision in the future.</li> </ul>

Date of report	Title of review	Recommendation
December 2015	Delivering with less – leisure services	<p>R3 Ensure effective management of performance of leisure services by establishing a suite of measures to allow officers, Members and citizens to judge inputs, outputs and impact. This should cover council-wide and facility specific performance and include:</p> <ul style="list-style-type: none"> <li>• capital and revenue expenditure;</li> <li>• income;</li> <li>• council ‘subsidy’;</li> <li>• quality of facilities and the service provided;</li> <li>• customer satisfaction;</li> <li>• success of ‘new commercial’ initiatives;</li> <li>• usage data – numbers using services/facilities, time of usage, etc; and</li> <li>• impact of leisure in addressing public health priorities.</li> </ul> <p>R4 Improve governance, accountability and corporate leadership on leisure services by:</p> <ul style="list-style-type: none"> <li>• regularly reporting performance to scrutiny committee(s);</li> <li>• providing elected Members with comprehensive information to facilitate robust decision-making;</li> <li>• benchmarking and comparing performance with others; and</li> <li>• using the findings of internal and external audit/inspection reviews to identify opportunities to improve services.</li> </ul>



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## COUNCIL – 22ND NOVEMBER 2016

**SUBJECT: STANDARDS COMMITTEE – APPOINTMENT OF INDEPENDENT MEMBER**

**REPORT BY: INTERIM HEAD OF LEGAL SERVICES/MONITORING OFFICER**

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

- 1.1 To appoint an independent member to the Standards Committee and to consider a recommendation for the appointment of a reserve.

### **2. SUMMARY**

- 2.1 This Report sets out the process undertaken to fill the vacancy that has arisen on the Council's Standards Committee.
- 2.2 The Report recommends that Council accept the recommendations of the Appointment Panel in relation to the filling of the vacancy and makes a second recommendation in relation to a reserve appointment to the Committee.

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

- 3.1 The Council's Constitution, in accordance with statute sets up a Standards Committee with a majority of independent members. This appointment is required to comply with the statutory requirements of the Local Government Act 2000.

### **4. THE REPORT**

- 4.1 On the 13<sup>th</sup> September, 2016, Mr. Vincent Brickley, resigned as an Independent Member of the Standards Committee.
- 4.2 A Panel was established to consider all the applications and to make a recommendation to the Council. In accordance with the regulations the Panel comprised an elected member, a community council member and a "lay panel member" who in this case was Ms. D. Holdroyd, the current Chair of the Standards Committee.
- 4.3 The advertisement attracted six applications from individuals, five of whom met the criteria. All five of the applicants were invited for interview. The interviews took place on 4<sup>th</sup> November, 2016.
- 4.4 The panel considered following interview that two of the candidates could be considered for appointment and after discussion agreed the following:-

- (a) that Mr. Thenna Daniel Abbas be recommended for appointment as independent member of the Standards Committee for a period of four years from 23rd November, 2016.
- (b) that the Council agrees to setting up a reserve list of independent members and that Mr. Peter James Brunt be invited to remain on that reserve list for a period of one year months from 23<sup>rd</sup> November, 2016

4.5 While the law provides that the appointment to the Standards Committee is made by the Authority, the regulations put great emphasis on the Panel and it would therefore be inappropriate for the Authority to do other than accept the recommendation of the Panel as to the appointment. The Authority is free to accept or reject the second recommendation.

## **5. EQUALITIES IMPLICATIONS**

5.1 None arising from the Report. The process undertaken takes account of equalities implications.

## **6. FINANCIAL IMPLICATIONS**

6.1 There is existing provision for allowances for independent members and therefore there are no additional financial implications for the Authority.

## **7. PERSONNEL IMPLICATIONS**

7.1 There are none.

## **8. CONSULTATION**

8.1 There has been no formal consultation on the Report as the Report reflects the deliberations of the statutory Panel. The officers and Members listed at the end of the Report have been provided with a copy of the Report for information.

## **9. RECOMMENDATIONS**

9.1 Members are asked to approve the following recommendations:

- (a) the said Mr. Thenna Daniel Abbas be appointed for a period of four years from 23<sup>rd</sup> November, 2016 as independent member of the Standards Committee;
- (b) the Council agrees to establishing a reserve list of independent members and that the said Mr. Peter James Brunt be invited to remain on that list for a period of twelve months from 23<sup>rd</sup> November, 2016.

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

10.1 In order to comply with statutory requirements about the establishment of a Standards Committee and to give effect to the recommendations of the Panel set up under National Assembly Regulations.



## **11. STATUTORY POWERS**

11.1 Local Government Act 2000 and regulations made under the Act. This is a Council function.

Author: Gail Williams, Interim Head of Legal Services/Monitoring Officer  
willige@caerphilly.gov.uk

Consultation: This report reflects the deliberations of the statutory Panel and therefore there has been no formal consultation on the contents of this report.

For information: Chris Burns Interim Chief Executive  
Nicole Scammell Acting Director of Corporate Services and Section 151 Officer  
Councillor Christine Forehead Cabinet Member for Human Resources and  
Governance/Business Manager

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## COUNCIL – 22ND NOVEMBER 2016

**SUBJECT: PLANNING COMMITTEE SITE VISITS**

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

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- 1.1 The report was considered by the Planning Committee on the 9th November 2016.
- 1.2 Changes to the Site Visit procedures were agreed at Planning Committee on the 4th November 2015 and reported to Council on the 17th November 2015 which agreed them subject to a six month review following the date of implementation.
- That review period expired in September 2016 and an all Member consultation on the new procedures commenced in July 2016.
- 1.3 The Planning Committee noted the comments arising from the consultation process and agreed that there could be occasions when it would be impractical to visit all sites in one day, and there should be some flexibility in the procedure to allow another day to be used providing it was prior to the relevant Planning Committee meeting.
- 1.4 Members noted the improvements made in the in the last two quarters of 2015/16 with regard to the percentage of applications determined within the statutory timescales and that these were continuing to be made in the first quarter of 2016/17.
- 1.5 Having fully considered the Officer's report it was moved and seconded that the recommendation contained therein be approved and by show of hands this was unanimously agreed.

RECOMMENDED to Council that the relevant changes to the Council's Constitution relating to Planning Site Visits be made permanent and the Council's Monitoring Officer be authorised to make the following amendment:

1. Where it is impractical to undertake all approved site visits on the Monday before the Planning Committee, the visit/s may take place on any day subject to the visit/s taking place before the Planning Committee to which the application/s is/are being reported.
- 1.4 Members are invited to consider the report and the above recommendation.

Author: E. Sullivan, Democratic Services Officer, Ext 4420.

Appendices:

Appendix 1 Planning Committee Report – 9th November 2016 - Agenda No. 17

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## PLANNING COMMITTEE – 9 NOVEMBER 2016

**SUBJECT: PLANNING COMMITTEE SITE VISITS**  
**REPORT BY: CORPORATE DIRECTOR - COMMUNITY SERVICES**

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### 1. PURPOSE OF REPORT

1.1 To review the new Planning Committee site visit procedure

### 2. SUMMARY

2.1 This report briefly considers the new site visit procedure introduced in 2015, with the first site visit taking place in March. Site visits are now held on the Monday before Planning Committee, and they involve applications that are being reported to the immediately up and coming committee. This avoids applications being deferred for a site visit at Planning Committee, thereby introducing delay into the decision process.

2.2 An email was sent to all the members of the Council on 11 July asking for their opinion about the new procedure, and nine replies were received which were largely positive, the only concern raised was the loss of the informal arrangements for the public to comment following the close of the site meeting..

2.3 The new procedure is working well and should be adopted on a permanent basis.

### 3. LINKS TO STRATEGY

3.1 The report takes account of the adopted Caerphilly County Borough Local Development Plan up 2021.

### 4. THE REPORT

4.1 In support of the Planning (Wales) Act 2015 the Royal Town Planning Institute (RTPI) undertook research into the operation of planning committees in Wales to provide evidence on their efficiency and effectiveness. In recent consultations Welsh Government has proposed that submissions for planning permission should be made directly to them where LPAs are considered to be failing to determine applications within a reasonable timescale. In addition, as of October 2015 failure to determine 'householder' applications within 16 weeks, and all other applications within 24 weeks, will result in the return of the planning application fee. The determination of applications was often prolonged because proposals had to be reported to Planning Committee first before a site visit was authorised and held. There was therefore an urgent need to consider an alternative.

4.2 The recommendations of the Royal Town Planning Institute were as follows. Site visits should:

- Be held on an exceptional basis for major applications. Where required they should be identified by officers in consultation with the Chair, and based on clear published criteria;
- There should be provision for members to ask for a committee site visit but this should be done early, in advance of the committee meeting at which the application is being discussed;

- They should only be allowed where the benefit is expected to be substantial;
- They should take place prior to the first committee meeting at which the application is to be determined;
- Public speaking should not be allowed;
- Site visits should occur no more than a week prior to the committee meeting at which the application is being discussed;
- The full committee need not attend site visits, and all members attending the committee meeting at which the application is reported should be able to vote whether or not they attended the site visit.

4.3 To enable the introduction of a procedure compliant with those recommendations, the following changes were proposed in November 2015:

- If members wish an application to be reported to Planning Committee, and be the subject of a site visit, they should advise the case officer, or in their absence, any other officer of the Development Management team, in writing (including email) within 21 days of receiving the weekly list of planning applications.
- At this time this will apply to all applications, not just major ones although that restriction may be imposed on the Council in due course if the RTPI recommendations are embodied in secondary legislation. A further Report will be presented to members regarding the progress of the RTPI recommendations in the future. The clear intention of the amended proposals is to reduce the number of formal site visits. Members are now encouraged to go to the sites themselves, discuss proposals with officers, and look at the presentations that officers now e-mail to Planning Committee members before committee.
- Any request for a formal site visit will have to comply with the following criteria:
  - Illustrative material is insufficient to convey the issues
  - A judgment is required on visual impact
  - The setting and surroundings are relevant to the determination of the application
  - The site has not been visited recently by the Planning Committee in relation to another planning application
- All site visits will take place on the Monday before Planning Committee for applications being reported to that committee.
- All members of the Council (subject to declarations of interest) will be entitled to attend the site visits, and all Planning Committee members will be encouraged to attend.
- Applicants, their agents and members of the public will not be allowed to speak at the site visits, apart from providing matters of information or clarification; the informal meeting with the public that has become part of the custom and practice of this Council will end so that the site visits are undertaken in a more formal manner.
- Committee Services will arrange the site visits but will not attend to take minutes. A briefing note will be prepared by planning officers and will be presented to the Planning Committee confirming that a site visit has taken place, and providing a summary of any additional information received or matters arising from the site visit.
- Requests for formal site visits made at Planning Committee will only be allowed in exceptional circumstances, e.g. where a councillor was incapable of notifying officers of the need for a site visit when the application for planning permission was first publicised. For reasons stated above, it is hoped that the current numbers of site visits will reduce significantly.
- The Planning Code of Practice, which was adopted on 31 July 2007, will still apply except where it is modified by the procedure set out above. An extract showing the changes is attached as an appendix.

4.4 These changes were agreed at Planning Committee on 4 November 2015, and reported to Council on 17 November. Council agreed the changes subject to their review after six months from the date of implementation. The first site visit took place in March so that period expired in September. The Constitution was amended in May.

- 4.5 All the members of the Council were consulted about the new procedure by email on 11 July 2016. Nine replies were received, and the issues raised are summarised below:
1. It can be difficult to cover a number of major site visits in a day, especially if they are in different parts of the borough
  2. It is important that members hear the concerns of the public
  3. Holding site visits on a Monday means they are fresh in the memory at Planning Committee
  4. Holding the visits on Monday only may clash with members' other commitments.

4.6 The general impression is that the new site visit procedure is working well. The local planning authority (LPA) has to consider all possible means of reducing the time taken to deal with applications in view of the aforementioned advice from the RTPI, the pressure from Welsh Government to ensure that at least 80% of planning applications are determined within 8 weeks, along with the potential penalty of having to return the planning fee. Officers have introduced other measures to address these matters: there is now a weekly meeting of case officers and consultees about all planning applications so that contentious issues are identified early in the process, and the opportunity is taken to set target dates for the determination of applications either at Committee or by delegated powers. The Annual Performance Report (APR) for 2015/16 indicates that 66% of all planning applications were determined within the required timescales. This was the third lowest percentage in Wales and was below the 80% target. Only 8 out of 25 LPAs in Wales met the 80% target. However, this LPA's average masks the significant improvements made in the last two quarters of 2015/16, and are continuing to be made in the first quarter of 2016/17 as shown in the table below.

Quarter	Percentage of applications determined within the statutory timescale
Apr/Jun 2016	86.1%
Jan/Mar 2016	79.3%
Oct/Dec 2015	68.6%
Jul/Sep 2015	59%
Apr/Jun 2015	62%

- 4.7 The following comments are offered in respect of the matters raised by members using the same numbers as in paragraph 4.5.
1. There was one occasion where a number of major applications some distance from each other were the subject of site visits on the same day. This is not a regular occurrence so it should not be a significant problem. However, the procedure could be amended to permit flexibility where it is not possible to travel to all sites in one day. The important thing from an efficiency point of view is that they take place before the Planning Committee.
  2. The Council had over many years adopted an informal procedure where at the end of each site visit, members of the public (and applicants or their agents) were allowed to address or ask questions of the councillors and officers. Concerns were expressed about this procedure by the Council's Interim Monitoring Officer because it was not minuted formally and the procedure had in the past resulted in complaints arising out of the lack of formal minutes of the discussions and allegations of lack of openness and transparency. It should be noted that the purpose of a site visit is to observe the site and gain a better understanding of the issues. They should not be used as a lobbying opportunity by objectors or supporters of the application. For these reasons there is no officer recommendation to reinstate the informal procedure.
  3. This comment is noted, and it is hoped that the site visit along with the electronic presentation sent to members before the Planning Committee assists in the decision making process.
  4. This has not caused any problems to date. If the problem does arise, the member prevented from attending the site visit should bring any concerns to the attention of a fellow ward member or the Chair or Vice Chair of the Planning Committee beforehand so that they can be considered at the site visit.

**5. EQUALITIES IMPLICATIONS**

- 5.1 As far as is possible, consideration will be given to the communication and physical access requirements at the site being visited, for elected members and members of the public. It must be recognised however that the site being visited may currently be physically inaccessible but be subject to a planning application that would make that site accessible.

**6. FINANCIAL IMPLICATIONS**

- 6.1 None

**7. PERSONNEL IMPLICATIONS**

- 7.1 None

**8. CONSULTATIONS**

- 8.1 Gail Williams - Interim Monitoring Officer

**9. RECOMMENDATIONS**

- 9.1 To recommend to Council that having reviewed the new site visit procedure the relevant changes to the Council's Constitution are made permanent subject to the Council's Monitoring Officer being authorised to make the following amendments:

1. Where it is impractical to undertake all approved site visits on the Monday before the Planning Committee, the visit/s may take place on any day subject to the visit/s taking place before the Planning Committee to which the application/s is/are being reported.

**10. REASONS FOR THE RECOMMENDATIONS**

- 10.1 As set out in the report above.

**11. STATUTORY POWER**

- 11.1 The Town and Country Planning Act 1990 and related acts and statutes.

Author: Tim Stephens - Interim Head of Planning

Background Papers: None.  
Appendix

Revised Draft Site Visit Protocol



## 10. SITE INSPECTIONS

### Purpose of site inspections

- 10.1 Site inspections are fact-finding exercises to allow members to make a more informed decision than would be possible from reading the officer's report and considering the views expressed at the Planning Committee meeting.
- 10.2 The sole purpose of site inspections is to allow the chairperson and vice chairperson and other members to look at the site and its surroundings. In conducting the site visit, the members will not formally debate the application, express a prior opinion, lobby for any particular decision or come to any decision.

### Requests for Committee site inspections

- 10.3 If members wish an application to be reported to Planning Committee, and be the subject of a site visit, they should advise the case officer, or in his/her absence, any other officer of the Development Management team, in writing (including email) within 21 days of receiving the weekly list of planning applications.  
~~Requests by members for site inspections in respect of committee cases should wherever possible be made to the chairperson of the Planning Committee or the Chief Planning Officer, in writing at least 48 hours before the committee to which the application is being reported. Such a request should indicate why a site visit is necessary. Early notification allows the clerk of the committee to advise members of the public who may otherwise have attended the committee not to do so. The Chief Planning Officer will consult with the chairperson before deciding whether to agree to the member's request. Similarly, if the chairperson receives a request, he should consult with the Chief Planning Officer. Members may also request a site visit at the Planning Committee and should indicate why a site visit is necessary.~~
- 10.4 Site visits should ~~only~~ be allowed on the basis of a request from either the chairperson or vice-chairperson, or from any local member ~~or any member~~ excluding an adjoining ward councillor whether or not a member of the committee. It is expected that local members will already be familiar with the site. Members are encouraged to go to the sites themselves, discuss proposals with officers, and look at the presentations that officers now e-mail to Planning Committee members before committee.
- 10.5 Site visits may also be arranged, at the behest of the ~~Chief Planning Officer~~ Head of Planning and Regeneration or Development Control Manager when they consider that there are particular site issues that members should be aware of prior to the determination of the application.

### Criteria for agreeing to hold site inspections

- 10.6 Any request for a formal site visit will have to comply with the following criteria:
- o Illustrative material is insufficient to convey the issues
  - o A judgment is required on visual impact
  - o The setting and surroundings are relevant to the determination of the application
  - o The site has not been visited recently by the Planning Committee in relation to another planning application

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10.75 Requests for formal site visits made at Planning Committee will only be allowed in exceptional circumstances, e.g. where a councillor was incapable of notifying officers of the need for a site visit when the application for planning permission was first publicised. Site visits requested after the application appears on the committee report delay determining the application. While the decision whether or not to undertake an inspection in such circumstances is a matter for the Planning Committee, members shall only make such visits where the Planning Committee cannot otherwise make an appropriately informed decision and the inspection would have substantial benefit. Examples where a site visit would not normally be appropriate include where:

- The member simply disagrees with the conclusion reached in the report.
- The member wishes to consider boundary or neighbour disputes.
- Loss of property values
- Any issues that are not material planning considerations.
- Where councillors have already visited the site within the last 12 months, except in exceptional circumstances.

Where there is any dispute about the need for a site visit the final decision will be taken by the Chair and/or Vice Chair of the Planning Committee in consultation with the Head of Planning and Regeneration and/or the Development Control Manager

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#### **Notification of site visits**

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10.8 All site visits will take place on the Monday before Planning Committee for applications being reported to that committee. All members (subject to declarations of interest) will be entitled to attend the site visits, and all Planning Committee members will be encouraged to attend.

Committee Services will arrange the site visits but will not attend to take minutes. A briefing note will be prepared by planning officers and will be presented to the Planning Committee confirming that a site visit has taken place, and providing a summary of any additional information received or matters arising from the site visit.

#### **Attendance at site inspections**

10.96 Site visits will normally be attended by the chairperson and vice-chairperson of Planning Committee, ward members and appropriate officers. ~~Where appropriate adjoining ward members will be invited and in exceptional circumstances the whole of the committee.~~ All members (subject to declarations of interest) will be entitled to attend the site visits, and all Planning Committee members will be encouraged to attend.

10.107 Members may through the chairperson ask questions of officers to clarify factual matters relevant to the site inspection.

10.118 If a request is received from a third party to inspect the site from a different location, the members, as a group, should take the view whether to do so. Unless there are good reasons not to do so, such a request should normally be acceded to but only if all participants at the site inspection are extended the same invitation.

### **Attendance at site inspections**

- | 10.129 Members may only enter onto the site with the permission of the site owner who has the right of attendance at the site inspection.
- | 10.130 The public do not have a right of access to a site but may attend and view the site by way of public vantage points or on site with the consent of the owner.
- | 10.144 Applicants, their agents and members of the public will not be allowed to speak at the site visits, apart from providing matters of information or clarification; the informal meeting with the public that has become part of the custom and practice of this Council will end so that the site visits are undertaken in a more formal manner.  
~~The public cannot address the meeting.~~
- | 10.152 If a member finds it necessary to visit a site alone, he or she shall view it from public vantage points only, seek to avoid discussion with interested parties and, if dialogue occurs, make it clear that a decision will be taken when the Planning Committee has discussed it after the site inspection.
- | 10.163 **Members are reminded that the rules of declarations of interest apply to site visits, and that if a member has an interest that would require the member to withdraw from a Planning Committee, the member is not entitled to attend the site meeting.**

### **Conduct at site inspections**

- | 10.174 The inspection will be chaired by the chairperson or vice chair of the Planning Committee who will ensure that it is conducted as a single meeting and in an orderly fashion.
- | 10.185 The planning officer will give a brief summary of the application and the site inspection issues at the beginning of each site visit.
- | 10.196 Members of the Planning Committee attending the site inspection shall not make comments that would create an impression that they have already formed a view on the merits of the application.
- | 10.1720 Members of the Planning Committee shall not discuss the application, other than to clarify issues of fact, and shall not make a decision while on site.
- | 10.4821 Non-Committee members may address their colleagues on issues of fact pertaining to the site context.
- | ~~10.19 The applicant or members of the public will not be permitted to address members during the site inspection, but may be asked to clarify issues of fact by the chairperson.~~
- | ~~10.20 Once the formal site meeting is concluded at the chairperson's discretion, and depending on the time available, an informal discussion may be held with the applicant, any agent, and any members of the public. In such a situation members and officers should continue to abide by this code.~~

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## COUNCIL – 22ND NOVEMBER 2016

**SUBJECT: INTERNAL INVESTIGATION OF SENIOR OFFICERS – ADDITIONAL FINANCIAL PROVISION FOR LEGAL COSTS**

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

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### 1. PURPOSE OF REPORT

- 1.1 To seek Council approval of an additional financial provision in respect of legal costs relating to the ongoing internal investigation of three Senior Officers.

### 2. SUMMARY

- 2.1 The report sets out the need for a further financial provision to ensure that sufficient funding is set aside in the 2016/17 financial year to meet estimated legal costs associated with the ongoing internal investigation of three Senior Officers.

### 3. LINKS TO STRATEGY

- 3.1 As a part of prudent financial management the Council is required to set aside funding to meet its known and potential liabilities.

### 4. THE REPORT

- 4.1 Members will be aware of the current interim arrangements in place within the Authority arising from the ongoing internal investigation of three Senior Officers.
- 4.2 There are revenue budgets established for the posts of Chief Executive, Director of Corporate Services and Head of Legal Services/Monitoring Officer and the postholders currently fulfilling these duties on an interim basis are funded from these revenue budgets.
- 4.3 Members will recall that the salary costs associated with the three Senior Officers have been funded from a provision established using General Fund reserves as approved by Council. At its meeting on the 19th July 2016, Council approved a further provision of £282k to cover the anticipated salary costs of the three Senior Officers to the 31st March 2017.
- 4.4 Members will also recall that an Investigating & Disciplinary Committee was established in 2013 and an independent investigator was engaged from Blake Morgan LLP. However, this independent investigation was put on hold at the request of the police due to the ongoing Criminal Proceedings.

- 4.5 Members will be aware that the Criminal Proceedings against the three Senior Officers were dismissed in October 2015 and the Authority is now progressing internal investigations in accordance with the Council's approved procedures and statutory requirements. These procedures must be conducted fairly and thoroughly in accordance with the statutory process over which we have no discretion.
- 4.6 At its meeting on the 19th July 2016, Council also agreed a financial provision of £220k to meet the estimated 2016/17 legal costs of the ongoing internal investigation. However, based on actual legal costs incurred between the 1st April 2016 and the 31st October 2016 it is currently estimated that a further financial provision of £150k is required for legal costs in the current financial year. It is therefore recommended that a further £150k be set aside from General Fund balances.
- 4.7 Council should note that the estimate of £150k is based on a monthly average of actual costs incurred between the 1st April 2016 and the 31st October 2016. Actual costs for the remainder of the financial year may be higher or lower than the current monthly average. In the event of costs exceeding the additional £150k requested a further report will be prepared for Council.

## **5. EQUALITIES IMPLICATIONS**

- 5.1 No equality impact assessment has been undertaken on this report as it essentially seeks approval for an extension of financial arrangements previously agreed.

## **6. FINANCIAL IMPLICATIONS**

- 6.1 It is proposed that the additional financial provision of £150k should be funded from General Fund balances.
- 6.2 Members will recall that the Section 151 Officer recommends that the minimum balance on the General Fund reserve should be £10m i.e. circa 3% of the Council's net revenue budget. The proposed additional provision of £150k in this report can be funded from the General Fund reserve without compromising the recommended minimum balance of £10m.

## **7. PERSONNEL IMPLICATIONS**

- 7.1 The personnel implications are included in the report.

## **8. CONSULTATIONS**

- 8.1 All consultation responses are included in the report.

## **9. RECOMMENDATIONS**

- 9.1 It is recommended that Council approves a further financial provision of £150k to be funded from General Fund balances to cover the estimated legal costs of the ongoing investigation to the 31st March 2017.

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

- 10.1 To ensure that sufficient funding is set aside to meet the potential legal costs of the ongoing investigation process to the 31st March 2017.

## 11. STATUTORY POWER

- 11.1 Local Government Acts 1972 and 2000.  
Local Authorities (Standing Orders) (Wales) Regulations 2006.  
Local Government and Housing Act 1989.

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Consultees: Chris Burns, Interim Chief Executive  
Dave Street, Corporate Director, Social Services  
Nicole Scammel, Acting Director of Corporate Services & S151 Officer  
Lynne Donovan, Acting Head of Human Resources and Organisational Development  
Gail Williams, Interim Head of Legal Services/Monitoring Officer  
Cllr Keith Reynolds, Leader of the Council  
Cllr Barbara Jones, Deputy Leader and Cabinet Member for Corporate Services

Background Papers: -

Cabinet Report 23/07/13 - Provisional Outturn for 2012/13

Council Report 26/02/14 - Budget Proposals 2014/15 and Medium-Term Financial Strategy 2014/2017

Cabinet Report 02/04/14 – Interim Arrangements – Head of Legal Services

Council Report 25/02/15 – Budget Proposals 2015/16 and Medium-Term Financial Strategy 2015/2018

Council 09/06/15 – Contract Arrangements of Interim Chief Executive

Council 19/07/16 – Internal Investigation of Senior Officers – Additional Financial Provision

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