

# Pecyn Dogfennau Cyhoeddus

Penallta House,  
Tredomen Park,  
Ystrad Mynach,  
Hengoed CF82 7PG

Ty Penallta,  
Parc Tredomen,  
Ystrad Mynach,  
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Am unrhyw ymholiad yn ymwneud â'r agenda hwn cysylltwch â Charlotte Evans  
(Rhif Ffôn: 01443 864210 Ebst: EVANSCA1@caerphilly.gov.uk)

**Dyddiad: Dydd Mawrth, 23 Ionawr 2018**

Annwyl Syr/Fadam,

Bydd cyfarfod **Pwyllgor Awdit** yn cael ei gynnal yn **Ystafell Sirhywi, Tŷ Penallta, Tredomen, Ystrad Mynach** ar **Dydd Mawrth, 30ain Ionawr, 2018** am **2.00 pm** i ystyried materion a gynhwysir yn yr agenda canlynol. Mae croeso i chi ddefnyddio'r iaith Gymraeg yn y cyfarfod, a dylid rhoi cyfnod rhybudd o 3 diwrnod gwaith os ydych yn dymuno gwneud hynny. Bydd cyfieithu ar y pryd yn cael ei ddarparu ar gais.

Yr eiddoch yn gywir,

**Christina Harrhy**  
PRIF WEITHREDWR DROS DRO

## A G E N D A

Tudalennau

- 1 I dderbyn ymddiheuriadau am absenoldeb
- 2 Datganiadau o Ddiddordeb.

Atgoffi'r Cyngorwyr a Swyddogion o'u cyfrifoldeb personol i ddatgan unrhyw fuddiannau personol a/neu niweidiol mewn perthynas ag unrhyw eitem o fusnes ar yr agenda hwn yn unol â Deddf Llywodraeth Leol 2000, Cyfansoddiad y Cyngor a'r Cod Ymddygiad ar gyfer Cyngorwyr a Swyddogion.

A greener place Man gwyrddach



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3 Pwyllgor Archwilio a gynhaliwyd ar 17eg Hydref 2017. 1 - 6

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4 Ardystio Grantiau a Datganiadau 2016-17 - Cyngor Bwrdeistref Sirol Caerffili. 7 - 20

5 Rheoliad Diogelu Data Cyffredinol (RhGDC) - Swyddogaeth Statudol Swyddog Diogelu Data. 21 - 28

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\*Os oes aelod o'r Pwyllgor Awdit yn dymuno i unrhyw un o'r Eitemau Gwybodaeth uchod i gael eu dwyn ymlaen ar gyfer adolygiad yn y cyfarfod, cysylltwch â Charlotte Evans, 01443 8644210, erbyn 10.00am ar ddydd Llun, 29ain Ionawr 2018

**Cylchrediad:**

Cynghorwyr Mrs E.M. Aldworth, J. Bevan, D.T. Davies, C. Elsbury, A. Gair, Ms J. Gale, B. Miles, Mrs T. Parry, Mrs M.E. Sargent (Cadeirydd), G. Simmonds, J. Simmonds a A. Whitcombe

Aelod Lleyg – Mr N.D. Yates (Is Gadeirydd)

Archwilwyr – Ms S.J. Byrne (Wales Audit Office), Ms N. Jenkins (Wales Audit Office), Ms L. Brown (Grant Thornton UK LLP) and Mr B. Morris (Grant Thornton UK LLP)

A Swyddogion Priodol.

Gadewir y dudalen hon yn wag yn fwriadol



## AUDIT COMMITTEE

### MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN, YSTRAD MYNACH ON TUESDAY 17TH OCTOBER 2017 AT 10.00 AM

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#### PRESENT:

Councillor M.E. Sargent – Chair

#### Councillors:

D.T. Davies, Ms J. Gale, Mrs B. Miles, G. Simmonds, J. Simmonds and Mrs T. Parry.

#### Together with:

G. Hawkins (Grant Thornton).

R. Hartshorn (Head of Public Protection), S. Harris (Interim Head of Corporate Finance), A. Southcombe (Finance Manager), R. Harris (Internal Audit Manager), and C. Evans (Committee Services Officer).

#### 1. APOLOGIES

Apologies for absence were received from Councillors Mrs E. Aldworth, J. Bevan, C. Elsbury, Mrs A. Gair and A. Whitcombe and Mr N. Yates.

#### 2. DECLARATIONS OF INTEREST

There were no declarations of interest made at the beginning or during the course of the meeting.

#### 3. MINUTES – 14TH JUNE 2017

RESOLVED that the minutes of the meeting of the Audit Committee held on 14th June 2017 (minute nos. 1 - 8) be approved as a correct record and signed by the Chair.

#### 4. MINUTES – SPECIAL AUDIT COMMITTEE – 25TH JULY 2017

RESOLVED that the minutes of the special meeting of the Audit Committee held on 25th July 2017 (minute nos. 1 – 7) be approved as a correct record and signed by the Chair.

## **REPORTS OF OFFICERS**

Consideration was given to the following reports.

### **5. CORPORATE REVISED RISK STRATEGY AND GUIDANCE**

The report, which was presented to Cabinet on 7th June 2017, provided an update and revised Risk Management Strategy 2017 (and guidance) following changes in legislation.

The Committee noted that Members have a critical role to play in evaluating the council's risk management arrangements and in particular understanding how the council identifies, manages and, where possible mitigates or removes risk. Risk Management is crucial to the effective delivery of council services.

It was noted that the Council's Risk Management Strategy was approved in 2013, since that time there have been several changes; one in particular was the introduction of the Well-Being of Future Generations (Wales) Act 2015 which requires the Council to change the way it views risk in keeping with the principles of sustainability. As a result the Strategy has been updated for 2017 to reflect these changes.

In considering the report, a Member sought clarification on the role of Scrutiny, and whether this was specific to one Scrutiny Committee or all Committees. Officers clarified that this referred to any Scrutiny Committee and that the wording would be amended in order to more accurately reflect this.

A Member sought further information on the progress being made against the Well-Being and Future Generations (Wales) Act 2015, with particular reference to Risk Management. Officers explained that the Well-Being of Future Generations (Wales) Act 2015 has encouraged a culture change and has introduced a different assessment and management process. The Management of Risk, on a Corporate, Directorate and Service Level has to consider Risk in a more long-term manner and the implications on future generations.

The Committee considered the Wales Housing Quality Housing Standard (WQHS), which was identified as a risk, and raised a number of concerns with regards to the procurement process. Officers explained that the Programme had experienced a number of unforeseen issues, and asked Members to note that the Wales Audit Office (WAO) have conducted a review on the WHQS Programme, which will be considered at Cabinet on 1st November 2017, and should be available in the public domain a week prior to this.

The Audit Committee thanked the Officer for the report and noted its contents.

### **6. CORPORATE RISK MONITORING**

The report provided the Audit Committee with an update of the Corporate Risk Register in accordance with the Council's Risk Management Strategy.

The updated Corporate Risk Register (CRR) was presented to the Audit Committee so there is opportunity for the Committee to satisfy itself that appropriate arrangements are in place for the council's risk management processes to be regularly and robustly monitored and scrutinised.

The Committee noted that Members have a critical role to play in evaluating the council's risk management arrangements and in particular understanding how the council identifies, manages and, where possible, mitigates/removes risk.

Members noted that, under the Council's Risk Management Strategy, Corporate Management Team (CMT) monitors the CRR quarterly and Cabinet receive six monthly progress reports.

The six month progress updates are then provided to Audit Committee who have the role of reviewing and challenging the risk register and resultant action plans for the council's key strategic and corporate risks.

Following a review made by CMT on 7th September 2017, The Risk Register was updated and the changes were summarised within the report. Members were pleased to note that there were no new risks added, however the WHQS Programme had been changed from a Medium to High risk, School Rationalisation had been updated, and the Local Development Plan (LDP) had been changed from Medium to High risk due to planning decisions being appealed, as a result of a lack of an LDP.

The Audit Committee thanked the Officer for the report and discussion ensued. A Member sought further information on the EAS Service and raised concerns about the risk level and quality of Education provision, following results of Estyn Inspections. Officers explained that, whilst this is a valid point, the CRR provides a summary of the risk, but not a complete picture of performance of the service; it was acknowledged that there is still room for improvement. Representations have been made to the EAS in order to address issues with attainment. Members were reminded that the risks have been adjusted in order to consider the Well-Being of Future Generations (Wales) Act, and therefore, it was felt that there is a longer term impact on future generations for not addressing attainment issues now, however, from the perspective of CMT and the Local Authority, the risk was considered to be Medium.

A Member sought an update on the Local Development Plan (LDP) and raised concerns that a lack of LDP can have significant implications for planning applications and developments within the Borough. Officers agreed that this is a significant risk and that CMT have determined that the risk should be ranked as High.

The Committee noted that the Wales Housing Quality Standard (WHQS) Programme risk level had increased and sought further information on this increase. Officers explained that there have been a number of challenges faced within the programme in order to meet the 2020 deadline. It was noted that a review has been conducted by the Wales Audit Office, which will be presented to Cabinet on 1st November 2017, in which there were a number of concerns raised, the report also includes a response from Officers. Members were advised that, whilst the Officer was able to discuss the Risk rationale, he was not an expert in each of the areas. As a result, it was suggested that, where Members had significant concerns, relevant Officers can be invited to the Audit Committee in order to discuss further.

Finally, Members noted the risk in relation to Grant Funding and sought assurance for Budget sustainability, should Grants be withdrawn. Officers explained that Grant Funding is always a risk, and loss of Grants could render Services unsustainable. However, Members were pleased to note that a number Grants have been transferred into the Budget settlement, resulting in increased stability for a number of services, however, work continues to encourage further transfers to mitigate risk.

The Audit Committee thanked the Officer for the report and noted it content.

## **7. 2016/17 STATEMENT OF ACCOUNTS – UNCORRECTED MISSTATEMENTS OF £629K**

The report, which was presented by the Interim Head of Corporate Finance provided the Audit Committee with details of the 2016/17 Statement of Accounts – Uncorrected Misstatements of £629k.

Members were asked to note that, within the External Auditor's 'Audit of Financial Statements Report', which was presented to the Audit Committee on the 25th July 2017, details were provided of an uncorrected misstatement that was being looked into further by Officers at that time. The misstatement related to ongoing work on cash balances within the Accounts, and a balance of £629k held as a reconciling item within the bank reconciliation. This arose in 2013/14 when the Council was in the process of transferring its banking activities from the Co-Operative Bank to Barclays Bank, with the temporary transfer of some cash and investment balances to the Bank of Scotland.

The 2016/17 Statement of Accounts was agreed by Council at its meeting on the 31st July 2017. At that time the uncorrected misstatement of £629k was still being looked into by Officers and consequently it was agreed with the External Auditor, that once the appropriate accounting adjustments have been agreed they would be actioned in the 2017/18 financial year.

The Committee noted that Officers have now completed the review of the £629k misstatement and, as explained in the report, the cash balance has been double-counted in error in the Schools and Education Trust Fund balances and in corporate investments. The entries for the Schools and Trust Fund are correct so the corporate investment balance needs to be adjusted as the General Fund balance has been overstated due to the error. This adjustment will correctly state the current General Fund balance at £13.281m.

The External Auditor, Grant Thornton, has reviewed the work undertaken by Officers and has confirmed that they are satisfied with the proposed adjustment based on the evidence reviewed as the cash balance does not support the main Authority's General Fund balances.

The Audit Committee thanked the Officer for the report and clarification and expressed their concern for school balances and disappointment that the error was not corrected until now. Officers explained that there would be no impact to schools balances, and whilst this was picked up, previous Auditors had not raised the issue. However, Grant Thornton have identified the issue, due to a change in the way that the Accounts were audited, and Members were asked to note that, whilst this error was not acceptable, the Council and Finance department were working under unprecedented circumstances, and under a significant amount of pressure at the time, which led to the error. Further assurances were offered to Members in that additional checks and balances are being introduced into processes in order to avoid an error of such scale in the future.

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

RESOLVED that for the reasons contained in the Officers report: -

- (i) The action required to detail with the uncorrected misstatement of the £629k highlighted in the External Auditor's 'Audit of Financial Statements Report' be noted.
- (ii) The details of the movements on the General Fund be noted and the explanation of the adjustment that is required to correct the £629k misstatement be incorporated into the 2018/19 budget report, which will be presented to Council February 2018.

## **8. INTERNAL AUDIT SERVICES – ANNUAL OUTTURN REPORT 2016-17**

The report provided the Audit Committee with details on the work carried out by Internal Audit Services during 2016/2017.

Members noted that it is a requirement both of the Public Sector Internal Audit Standards (PSIAS) and the Council's own Financial Regulations that an annual audit activity plan is prepared to ensure that there is an effective and efficient use of audit resources.

In addition to producing the audit plan, it is also a requirement that the Internal Audit Manager produces an outturn report, which provides members of the Audit Committee with an overview of the work undertaken by Internal Audit Services during the previous financial year and provides an insight into the range of issues that the service is involved with, in addition to the core audit work undertaken.

The Committee thanked the Officer for the report and appendices and discussion ensued.



In considering the Table of Issues identified for those audits ranked as in need of improvement in 2016/17, a Member sought further information on the WHQS Pain/Gain Process. Officers explained that during the Procurement Process for the WHQS, an arrangement was agreed with suppliers in which, on standard items, if a product could be sourced at a lower price, the savings would be shared on a 70/30 split between the Authority and Supplier, however, in the same way, should product prices increase the “pain” would also be split 70/30 between the supplier and Authority. It was noted that there is therefore an incentive for the supplier to source the best priced products, thus delivering Value for Money for the Authority. Members were also asked to note that, whilst there were some issues identified in the process and methodology, there have been a number of changes within the WHQS programme, which include a new Procurement process, as well as change to the Head of Programmes. Members were assured that work is underway to make these improvements in the system.

## **9. AUDIT COMMITTEE FORWARD WORK PROGRAMME**

The Forward Work Programme, up to September 2017 was presented to the Audit Committee for Member consideration. It was noted that the document is a working document and is regularly updated when additional reports are identified.

Having fully considered its detail the Audit Committee considered a number of items such as the EAS service, Local Development Plan (LDP), Local Government Pension Scheme Viability and Wales Housing Quality Standard (WHQS) and discussed whether reports should be brought to the next Committee.

Having fully considered each of the items, a detailed debate took place in relation to the Local Government Pension Scheme and it was noted that further information is being sought from Torfaen in relation to the Scheme, and would be reported back to the requesting Member when available, however, it was reiterated that the LGPS is a National Scheme, unless the Council leaves the scheme, the liability will remain on Council budgets. As a result, the Committee agreed that a report on the LGPS would not be added to the Forward Work Programme for future meetings. The Committee also agreed that the EAS should be included on the Corporate Risk Register, along with the LDP, however the Committee were keen to receive the WAO report on WHQS once available in the public domain, and a request to add to the Audit Committee Forward Work Programme may come, following receipt of the report.

The Audit Committee noted the current Forward Work Programme.

## **10. INFORMATION ITEMS**

The Committee received and noted the following information items:-

- (1) Regulation of Investigatory Powers Act 2000;
- (2) Officers Declarations of Gifts and Hospitality April to June 2017;
- (3) WAO Good Governance when Determining Significant Service Changes – Caerphilly County Borough Council;
- (4) WAO Report – Savings Planning (Caerphilly County Borough Council);
- (5) Corporate Governance Panel held 28th April 2017.

The meeting closed at 3.06pm.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 30th January 2018, they were signed by the Chair.

Gadewir y dudalen hon yn wag yn fwriadol



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

# Certification of Grants and Returns 2016-17 – **Caerphilly County Borough Council**

Audit year: 2016-17

Issued: January 2018

Document reference: CCBCCERT201617

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Eitem Ar Yr Agenda 4

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# Summary report

- 1 Under Paragraph 20 of Schedule 8 to the Government of Wales Act 2006 the Auditor General shall, if required by a local government or other grant-receiving body, make arrangements for certifying claims and returns (referred to as grant claims, hereafter).
- 2 We undertook our work with the aim of certifying individual claims and to answer the question:  
'Does Caerphilly County Borough Council (the Council) have adequate arrangements in place to ensure the production of co-ordinated, accurate, timely and properly documented grant claims?'
- 3 We have completed the audit and conclude that the for 2016-17 the authority had adequate arrangements in place for the submission of its 2016-17 grant claims, there is scope for improvement. We are continuing to work with the authority to support these improvements in 2017-18.
- 4 For 2016-17 we certified 18 grant claims and returns (17 in 2015-16).
- 5 The Council submitted 17 out 18 of its 2016-17 grant claims to us on time. We can confirm that we have certified all of the claims, at a total audit cost of some £52,745, (£57,230 for 2015-16). Overall, our work resulted in adjustments amounting to £14,848.48 to claims on a total grant value of £152,520,828 (0.001 % of total grant value). The actual breakdown is shown in [Exhibit 1: Breakdown of claims](#)

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	£	Additional comments
Additional Grant to CCBC	0	
Grant to be Clawed Back from CCBC	£14,848.48	See exhibit 5 for details.
Disclosure Adjustments	0	See exhibit 5 for details.
<b>Total</b>	<b>£14,848.48</b>	

6. 1:18 of the claims were qualified; this is below the Welsh average of 1:4 for 2015-16, the most recent years for which all-Wales data is available.

# Headlines

## Exhibit 2: report headlines

<b>Introduction and background</b>	<p><b>This report summarises the results of work on the certification of the Council's 2016-17</b></p> <ul style="list-style-type: none"> <li>• As contractors to the Wales Audit Office we are asked, on behalf of the Auditor General, to certify grant claims made by the Council.</li> <li>• For 2016-17, we certified 18 grants and returns with a total value of £152,520,828.</li> <li>• We have produced this report so that we can provide feedback collectively to those officers having the responsibility for grant management, so that we can work together to identify areas where improvements can be made to the processes in place.</li> </ul>
<b>Timely receipt of claims</b>	<p><b>Our analysis shows that 94% of grants received during the year were received for audit by the Council's submission deadline. (100% in 2015-16 audit year), with only the Housing Benefit and Authority Tax Subsidy Return not being submitted to us by the deadline, despite it being completed in time by the Authority.</b></p>
<b>Certification results</b>	<p><b>We issued unqualified certificates for 17 grants and returns. A qualification and amendment was necessary on only the Housing Benefit and Authority Tax Subsidy return, representing one claim (6%).</b></p>
<b>Audit adjustments</b>	<p><b>Adjustments were necessary to a further three of the Council's grants and returns as a result of our auditor certification work this year. These are detailed below.</b></p>
<b>The Council's arrangements</b>	<p><b>The Authority has adequate arrangements for preparing its grants and returns and supporting our certification work but improvements are required in some areas, as detailed in the body of this report.</b></p>
<b>Fees</b>	<p><b>Our overall fee for certification of grants and returns for 2016-17 is £52,745 (£4,485 less than 2015-16).</b></p>

# Summary of certification work outcomes

- 6 Detailed on the following page is a summary of the key outcomes from our certification work on the Council's 2016-17 grants and returns, showing where either audit amendments were made as a result of our work or where we had to qualify our auditor certificate.
- 7 A qualification means that issues were identified concerning the Council's compliance with a scheme's requirements that could not be resolved through adjustment. In these circumstances, it is likely that the relevant grant-paying body will require further information from the Council to satisfy itself that the full amounts of grant claimed are appropriate.

## Exhibit 3: key information for 2016-17

### Key information for 2016-17

#### Overall, we certified 18 grants and returns:

- 14 were unqualified with no amendment
- 3 were unqualified but required some amendment to the final figures
- 1 was qualified and required some amendment to the final figures



Exhibit 4: summary of key outcomes

Ref – Para 9	Grants and returns	Claim due	Claim received	Late	Qualified certificate	Adjustment (>£10,000)	Adjustment (<£10,000)	Unqualified certificate with no adjustments
1	Housing Benefit and Authority Tax Subsidy (BEN01)	30/4/17	6/7/17	Yes				
2	Teachers' Pension (PEN05)	30/5/17	10/5/17	No				
3	Free Concessionary Travel (TRA23)	30/9/17	26/9/17	No				
4	Section 28a Annual Voucher – Wanless (HLG03)	30/9/17	18/9/17	No				
5	Section 28a Annual Voucher – Learning and Disability (HLG03)	30/9/17	18/9/17	No				
6	Flying Start – Capital (EYC02)	30/9/17	20/9/17	No				
7	Flying Start – Revenue (EYC01)	30/9/17	20/9/17	No				
8	21 <sup>st</sup> Century Schools (EDU18)	30/9/17	20/9/17	No				
9	Families First (EYC14)	30/9/17	24/8/17	No				
10	Communities First – Caerphilly Basin (RG03)	31/7/17	26/7/17	No				
11	Communities First – Upper Rhymney Valley (RG03)	31/7/17	26/7/17	No				
12	Communities First – Mid Valley East (RG03)	31/7/17	26/7/17	No				
13	Communities First – Mid Valley West (RG03)	31/7/17	26/7/17	No				
14	Land Drainage – Donkey's Field (LD02)	N/a	9/8/17	No				

15	Land Drainage – Glenview Terrace (LD02)	N/a	9/8/17	No				
16	Non Domestic Rate (LA01)	26/5/17	23/5/17	No				
17	Local Transport Grant (TRA15)	30/9/17	28/9/17	No				
18	Gwent Frailty Partnership (HLG01)	28/4/17	26/4/17	No				
Total					1	1	3	14

8 This table summarises the key issues behind each of the adjustments or qualifications that were made.

Exhibit 5: summary of key issues

Ref	Summary observations	Actual Amendment
1	<p><b>Housing Benefit and Authority Tax Subsidy</b></p> <p>A number of issues were identified, which resulted in a qualification, including:</p> <p><b>Rent Allowances</b></p> <ul style="list-style-type: none"> <li>• Eligible Overpayments (current year) – this is an error that has also been identified in prior years, where expenditure was misclassified as eligible overpayment rather than LA Error, this led to an extrapolated overstatement in cell 114 of £297.</li> <li>• Total Expenditure (Benefit Granted) – this is an error that has also been identified in prior years, where the average weekly income was calculated incorrectly, this led to an extrapolated understatement in cell 113 of £3,792.</li> </ul> <p><b>Rent Rebates (HRA)</b></p> <ul style="list-style-type: none"> <li>• Eligible Overpayments – expenditure misclassified as eligible overpayments when it should have been LA error, this led to an extrapolated overstatement in cell 67 of £4,933.</li> </ul> <p><b>Rent Rebates (Non – HRA)</b></p> <ul style="list-style-type: none"> <li>• Expenditure up to the lower of one bedroom self-contained LHA Rate and upper limit – the expenditure was not correctly capped at the LHA rate. This led to an extrapolated overstatement of cell 12 of £16.</li> </ul> <p>An amendment was also made to the claim as Overpaid (Non-HRA) Rent Rebates had been incorrectly classified as eligible overpayments instead of technical overpayments. 100% testing was completed which led to an adjustment of £984 to cells 27 and 28. This led to a reduction of subsidy in cell 028s of £394.</p>	-£394.00
2	<p><b>Teacher’s Pension</b></p> <p>The Employer Contributions in section 3 of the claim form had not been completed correctly based on payroll records. This was a transposition error between the tiers and had no impact on the total contributions paid and disclosed on the claim form. This was amended by officers.</p>	Amendment – disclosure only
3	<p><b>Flying Start Revenue</b></p> <p>Recoverable Value Added Tax was incorrectly included within the eligible expenditure amount claimed which in contrary to the Terms and Conditions of the grant. A further sample of expenditure was tested and the error extrapolated over the population subject to VAT to determine the potential error. As the potential error was over the Welsh Government threshold of £10,000, the claim form was amended. This reduced the grant claimed by the council by £14,454.48.</p>	-£14,454.48

4	<b>Communities First – Mid Valley West</b> A transposition error occurred when completing the claim form, this had no impact on the grant amount claimed by the authority and was amended by officers for accuracy.	Amendment – disclosure only
	<b>Total effect of amendments to the Council</b>	<b>-£14,848.48</b>

# Recommendations

- 9 We have given each recommendation a risk rating and agreed what action management will need to take. We will follow up these recommendations during next year's audit.

## Exhibit 6: recommendations' risk rating

Priority 1	Priority 2	Priority 3
<p>Issues that are fundamental and material to your overall arrangements for managing grants and returns or compliance with scheme requirements. We believe that these issues might mean that you do not meet a grant scheme requirement or reduce (mitigate) a risk.</p>	<p>Issues that have an important effect on your arrangements for managing grants and returns or complying with scheme requirements, but do not need immediate action. You may still meet scheme requirements in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.</p>	<p>Issues that would, if corrected, improve your arrangements for managing grants and returns or compliance with scheme requirements in general, but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.</p>

Exhibit 7: issues

Issue	Implication	Recommendation	Priority	Comment	Responsible officer and target date
VAT incorrectly included within eligible expenditure	This could lead to a partial loss of grant monies if the total error made exceeds a permitted threshold set by the Welsh Government.	We recommend that the council implement procedures to ensure that all recoverable VAT on invoices paid by the council is excluded from the grant claim.	1	The findings of the audit will be discussed in the Accountancy Management Group and the correct treatment of VAT will be reinforced in all finance teams.	Finance Manager  With immediate effect.
Unapproved/ineligible expenditure included – Housing Benefit	The Authority's subsidy claim may be qualified. This will lead to a partial loss of subsidy if the total error made exceeds a permitted threshold set by the Department for Work and Pensions. If overpayments are not classified correctly, the Authority will not realise the level of its total error. Some claimants will be overpaid and the Authority may have to request a repayment.	Three issues identified within the qualification letter have been recurring for a number of years.  We recommend that the council implement training to address the following issues prior to the next certification process: <ul style="list-style-type: none"> <li>the correct classification between claimant and local authority error.</li> <li>correctly calculate the weekly income of a clamant with a focus on what pay elements are included and excluded.</li> </ul>	1	The Authority is developing training material to deliver to staff based on the findings outlined in the audit report, this will delivered before April 2018. In addition to this, there will be more in depth quality control checks on overpayments classification in order to mitigate this problem occurring again in the future.  Staff have been issued guidance on the pay elements that are to be included and excluded in weekly income. They have also been advised to seek advice if they come across any unusual pay elements before assessing the claim.	Housing & Council Tax Benefits Manager  April 2018

# Fees

10 Our overall fee for the certification of grants and returns was £52,745.

## Exhibit 8: fees

Breakdown of fee by grant/return	2016-17	2015-16
Housing Benefit and Authority Tax Subsidy (BEN01)	£20,945	£25,697
Teachers' Pension (PEN05)	£3,287	£3,354
Free Concessionary Travel (TRA23)	£2,927	£2,500
Section 28a Annual Voucher – Wanless (HLG03)	£1,732	£1,673
Section 28a Annual Voucher – Learning and Disability (HLG03)	£1,732	£1,673
Flying Start – Capital (EYC02)	£1,680	£1,225
Flying Start – Revenue (EYC01)	£2,706	£1,524
21 <sup>st</sup> Century Schools (EDU18)	£1,409	£1,300
Families First (EYC14)	£1,680	£1,412
Communities First – Caerphilly Basin (RG03)	£1,133	£1,152
Communities First – Upper Rhymney Valley (RG03)	£1,133	£1,171
Communities First – Mid Valley East (RG03)	£1,133	£1,208
Communities First – Mid Valley West (RG03)	£1,133	£1,264
Land Drainage – Donkey's Field (LD02)	£1,335	£2,327
Land Drainage – Glenview Terrace (LD02)	£1,335	-
Non Domestic Rate (LA01)	£2,596	£3,520
Local Transport Grant (TRA15)	£1,250	£1,766
Gwent Frailty Partnership (HLG01)	£1,175	£2,211
Planning, admin & reporting	£2,424	£2,253
<b>Total</b>	<b>£52,745</b>	<b>£57,230</b>

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## AUDIT COMMITTEE – 30TH JANUARY 2018

**SUBJECT: STATUTORY DATA PROTECTION OFFICER ROLE**

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

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### 1. PURPOSE OF REPORT

- 1.1 To ensure that Members are aware of the requirement to create a new statutory role of Data Protection Officer as prescribed by the forthcoming EU General Data Protection Regulation (GDPR) and seek the views of Members prior to presentation of the report to Cabinet.

### 2. SUMMARY

- 2.1 The GDPR will come into force on 25th May 2018 introducing a new requirement for organisations to have a statutory role of Data Protection Officer (DPO). This report proposes how this function could be delivered in CCBC.

### 3. LINKS TO STRATEGY

- 3.1 Data protection and information governance is an important element in delivering council priorities and ensuring contribution to the well-being goals set out in the Well-being of Future Generations (Wales) Act 2015 (WBFGA):
- A prosperous Wales
  - A resilient 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

### 4. THE REPORT

- 4.1 The GDPR will come into force on 25th May 2018, enhancing existing protections for personal data, introducing new requirements and increasing the maximum monetary penalty for data breaches from £500,000 to €20 million or 4% of global annual turnover.
- 4.2 One of the new requirements is the need to introduce a new statutory role of Data Protection Officer (DPO) for the Council. Currently the Data Controller responsible for data protection compliance is the Council as a corporate body and not a specific employee within the Council. However, responsibility for data protection has been delegated to the Corporate Information Governance Unit (CIGU) which is overseen by the Senior Information Risk Owner (SIRO) and the new statutory role will build on this existing sound foundation.

- 4.3 The GDPR offers advice regarding the responsibilities and options for organisations relating to the DPO role. The salient points have been extracted and provided as Appendix 1 for ease of reference.
- 4.4 Appendix 2 describes the current allocation of data protection duties within the Council outlining the broader information management role of the Corporate Information Governance Unit (CIGU) including the Corporate Information Governance Manager, the SIRO, the close relationships with Legal Services at Exemption Panel and all Service Areas via their Information Governance Stewards. The CIGU team members have qualifications and experience to satisfy the GDPR requirement for “professional experience and knowledge of data protection law that is proportionate to the level of protection that the personal data processed by the Council requires” as recommended by the Information Commissioner’s Office (ICO) Guide to GDPR.
- 4.5 To assure the Council as Data Controller that information is managed consistently and risks are minimised across every Council service, the SIRO and information governance expertise provision are currently a corporate function. As this is the case, it would seem appropriate that the DPO is located within the corporate function also..
- 4.6 Having considered the GDPR guidance available, ICO advisory publications and current working practices and structure in place in CCBC, the most appropriate approach would be to allocate the DPO role to the Authority’s Corporate Information Governance Manager (CIGM).
- 4.7 It is proposed to maintain a direct reporting line between the DPO and the more senior SIRO role as this keeps GDPR compliance consistent with the UK government approach to broader information risk.

## **5. WELL-BEING OF FUTURE GENERATIONS**

- 5.1 This report contributes to the Well-being Goals as set out in Links to Strategy above. It is consistent with the five ways of working as defined within the sustainable development principle in the Act as detailed below:
- 5.1.1 Long Term – Effective and appropriate information governance, data protection and insight sharing is critical to future service provision.
- 5.1.2 Prevention - Effective and appropriate information governance, data protection and insight sharing will enhance service areas’ capability to predict future service demand, identify trends and revise service plans or intervene to prevent a problem occurring or worsening.
- 5.1.3 Integration – Safe and appropriate sharing of information contributes to the Well-being Goals, the Council’s own Well-being Objectives as well as those of other organisations.
- 5.1.4 Collaboration – Safe and appropriate sharing of information is a key element of collaboration projects.
- 5.1.5 Involvement – Although this report relates to a statutory requirement, an element of the DPO role will be to advise the organisation how to make appropriate information available and accessible thereby facilitating the involvement process.

## **6. EQUALITIES IMPLICATIONS**

- 6.1 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.

## **7. FINANCIAL IMPLICATIONS**

7.1 None.

## **8. PERSONNEL IMPLICATIONS**

8.1 The personnel implications are included in this report.

## **9. CONSULTATIONS**

9.1 The report reflects the views expressed by the consultees.

## **10. RECOMMENDATIONS**

10.1 It is recommended that Audit Committee endorse the proposal to add the DPO role to the responsibilities associated with Corporate Information Governance Manager post prior to an approval request being presented to Cabinet.

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

11.1 The recommendation is compliant with the GDPR guidance available, ICO advisory publications and fits well with the current working practices and structure in place in CCBC.

11.2 The CIGM position already demands the technical knowledge required by GDPR and the associated DPO role. The current post-holder has an in-depth knowledge of CCBC's information holdings and strong working relationships with the service areas.

## **12. STATUTORY POWER**

12.1 Local Government Act 2000.

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Consultees: Cllr. Colin Gordon, Cabinet Member for Corporate Services  
Cllr. Barbara Jones, Deputy Leader & Cabinet Member for Finance, Performance and Governance / Corporate Governance Panel Member  
Richard Harris, Internal Audit Manager / Acting Deputy Monitoring Officer  
Robert Hartshorn, Head of Policy and Public Protection / Corporate Governance Panel Member  
Lynne Donovan, Acting Head of Human Resources and Organisational Development  
Steve Harris, Interim Head of Corporate Finance  
Lisa Lane, Corporate Solicitor  
Bethan Manners, Senior Solicitor

Appendices:

Appendix 1 – Extract from GDPR (Articles 37, 38 and 39) on DPO role

Appendix 2 – Current Allocation of Data Protection Roles within the Council

**Extract from GDPR:**

**SECTION 4  
DATA PROTECTION OFFICER**

**Article 37 - Designation of the Data Protection Officer**

1. The controller and the processor shall designate a data protection officer in any case where:

- (a) the processing is carried out by a public authority or body, except for courts acting in their judicial capacity;
- (b) the core activities of the controller or the processor consist of processing operations which, by virtue of their nature, their scope and/or their purposes, require regular and systematic monitoring of data subjects on a large scale; or
- (c) the core activities of the controller or the processor consist of processing on a large scale of special categories of data pursuant to Article 9 and personal data relating to criminal convictions and offences referred to in Article 10.

2. A group of undertakings may appoint a single data protection officer provided that a data protection officer is easily accessible from each establishment.

3. Where the controller or the processor is a public authority or body, a single data protection officer may be designated for several such authorities or bodies, taking account of their organisational structure and size.

4. In cases other than those referred to in paragraph 1, the controller or processor or associations and other bodies representing categories of controllers or processors may or, where required by Union or Member State law shall, designate a data protection officer. The data protection officer may act for such associations and other bodies representing controllers or processors.

5. The data protection officer shall be designated on the basis of professional qualities and, in particular, expert knowledge of data protection law and practices and the ability to fulfil the tasks referred to in Article 39.

6. The data protection officer may be a staff member of the controller or processor, or fulfil the tasks on the basis of a service contract.

7. The controller or the processor shall publish the contact details of the data protection officer and communicate them to the supervisory authority.

**Article 38 - Position of the Data Protection Officer**

1. The controller and the processor shall ensure that the data protection officer is involved, properly and in a timely manner, in all issues which relate to the protection of personal data.

2. The controller and processor shall support the data protection officer in performing the tasks referred to in Article 39 by providing resources necessary to carry out those tasks and access to personal data and processing operations and to maintain his or her expert knowledge.

3. The controller and processor shall ensure that the data protection officer does not receive any instructions regarding the exercise of those tasks. He or she shall not be dismissed or penalised by the controller or the processor for performing his

tasks. The data protection officer shall directly report to the highest management level of the controller or the processor.

4. Data subjects may contact the data protection officer with regard to all issues related to processing of their personal data and to the exercise of their rights under this Regulation.

5. The data protection officer shall be bound by secrecy or confidentiality concerning the performance of his or her tasks, in accordance with Union or Member State law.

6. The data protection officer may fulfil other tasks and duties. The controller or processor shall ensure that any such tasks and duties do not result in a conflict of interests.

### **Article 39 - Tasks of the Data Protection Officer**

1. The data protection officer shall have at least the following tasks:

- (a) to inform and advise the controller or the processor and the employees who carry out processing of their obligations pursuant to this Regulation and to other Union or Member State data protection provisions;
- (b) to monitor compliance with this Regulation, with other Union or Member State data protection provisions and with the policies of the controller or processor in relation to the protection of personal data, including the assignment of responsibilities, awareness-raising and training of staff involved in processing operations and the related audits;
- (c) to provide advice where requested as regards the data protection impact assessment and monitor its performance pursuant to Article 35;
- (d) to cooperate with the supervisory authority;
- (e) to act as the contact point for the supervisory authority on issues relating to processing, including the prior consultation referred to in Article 36 and to consult, where appropriate, with regard to any other matter.

2. The data protection officer shall in the performance of his or her tasks have due regard to the risk associated with processing operations, taking into account the nature, scope, context and purposes of processing.

### Current Allocation of Data Protection Duties within the Council

1. The Data Controller for Data Protection purposes must be the Council, not an employee within the Council, but clearly this task must be delegated day to day. Due to legal changes over the last two decades, the Council has evolved a number of different reporting arrangements for Information Governance (IG), which encompasses data protection, broader information risk relating to non-personal information (e.g. confidentiality for drafts, commercial purposes, legal professional privilege, etc), records management and information requests. Allocation of the DPO role is an opportunity to review arrangements for information governance as a whole to achieve more consistency.
2. Currently the Council delegates data protection duties to the Senior Information Risk Owner (SIRO) (the Head of IT and Central Services), who manages 2.8 permanent and 1 temporary employee in the Corporate Information Governance Unit (CIGU) and oversees the Council's Information Governance Work Programme. The Corporate IG Manager deputises for the SIRO role when required. The SIRO reports to CMT via the Director of Corporate Services and Corporate Governance Panel have oversight of the Council's Information Governance Work Programme via regular reports. The Chief Executive decides on the majority of information request appeals, but the SIRO is responsible for data protection appeals and breaches.
3. To mitigate information risk whilst making better use of Council information assets, CIGU has devised a work programme for Information Governance Stewards Council-wide to advise their Service Area on routine data protection matters, information requests, records management and training requirements. More complex matters, exemptions, contracts, partnership arrangements, data breaches, etc are referred back to CIGU. IG Stewards undertake these tasks alongside their substantive post and whilst Directorates such as Education and Social Services have officers who are able to spend more time on these tasks, other Service Areas rely on a network of IG Liaison Officers to share the IG workload throughout their Service Area.
4. Legal impacts of IG proposals to reduce risk and make better use of information assets are considered by CIGU at Exemption Panel with the Head of Legal or Principal Solicitor and a representative from the Service Area. It is advantageous to have a distinction between IG and Legal Services, as compliance with law is one part of IG, but managing information to best practice standards to benefit service areas is equally important and the current Exemption Panel arrangements have proven to work very effectively over the last 12 years.
5. CIGU team members hold the nationally recognised ISEB qualification in Data Protection and the team has over 12 years experience of working with data protection legal changes, national case law, as well as experience of the Council, its services and its information assets. Retaining day-to-day tasks with this established team will satisfy the GDPR requirement for "professional experience and knowledge of data protection law that is proportionate to the level of protection that the personal data processed by the Council requires".
6. The SIRO role encompasses information risks across all types of information not just those records containing personal information and has a key role in advocating better ways of working to maximise use of the Council's information assets. Therefore it is desirable to maintain the SIRO role at a senior level to oversee Data Protection compliance as well as information risk more broadly, which also fits with best practice across the UK.
7. It is recommended that Information Governance remains a corporate function so that the Council as Data Controller can be assured that its information is managed consistently and risks are low across every Council service. Whilst other Service Areas are key stakeholders in information governance particularly if they process highly sensitive personal information, retaining the function within Corporate Services Directorate will provide corporate assurance and is consistent with the IG role in other local authorities.

8. The following arrangements have developed over time since DPA was passed in 1998 and FOI became fully implemented in 2005. Designation of the DPO role is also an opportunity to clarify responsibilities of the SIRO.

Role	History	Task
Senior Information Risk Owner (SIRO)	Cabinet Office recommended Board level role (one of key improvements after 2007 HMRC data loss). In Welsh LAs this role tends to sit with a Head of Service and in 2013 Audit Committee assigned the role to Head of IT and Central Services.	<ul style="list-style-type: none"> <li>• Oversees info risk evidenced from six monthly info risk returns from each service.</li> <li>• Signs-off data breach outcomes and makes decision on self-reports to ICO.</li> <li>• Makes decisions on DPA complaints, including SARs.</li> <li>• Manages CIGU who undertake IG work day-to-day.</li> </ul>
Chief Executive or other appropriate senior officer	CE assigned to review FOI/EIR appeals in 2004. Due to a number of instances where the CE had been involved in a situation that resulted in an FOI request, this was modified to “or an appropriate senior officer”.	<ul style="list-style-type: none"> <li>• FOI/EIR appeals</li> </ul>
Exemption Panel	Originally established in 2005 for FOI/EIR exemptions, but quickly started to consider any IG matter that required a legal perspective (either a non-IG law impact on decision, or second opinion on an IG law that CIGU had researched).	<ul style="list-style-type: none"> <li>• Comprises either Head of Legal or Principal Solicitor (on rota basis), CIGU rep and rep from Service Area. Decision is joint, but Exemption Form is signed by the solicitor on duty to give legal weight.</li> <li>• CIGU does background research on law, case law/decision notices and any guidance from regulators (ICO, Surveillance Commissioner, etc) and makes recommendation for Panel.</li> <li>• Consultee together with CIG Manager on FOI/EIR appeals prior to Chief Executive or appropriate senior officer making decision on outcome.</li> </ul>
Data Protection Officer (statutory from May 2018)	<p>This role has existed since early 1980s when DPA first introduced and sits with the Head of Service overall responsible for DPA compliance.</p> <p>Since 2013, DP Officer (Head of IT) has also been the SIRO, but the SIRO title has been used instead to reflect broader information risk associated with non-personal data and to fulfil the functions defined by Cabinet Office and WLGA recommendations.</p>	<ul style="list-style-type: none"> <li>• Currently same tasks as SIRO, as sits with same person.</li> <li>• Will be a statutory function from May 2018, which GDPR states needs to sit with someone with DPA expertise.</li> <li>• NB The corporate role needs to be called “Statutory” or “Corporate” DPO to avoid confusion with existing roles in Social Services Directorate.</li> </ul>

Gadewir y dudalen hon yn wag yn fwriadol





## AUDIT COMMITTEE – 30TH JANUARY 2018

**SUBJECT: REGULATOR PROPOSALS FOR IMPROVEMENT PROGRESS UPDATE**

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

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### 1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update members on progress against proposals or recommendations made by all regulators since the last Audit Committee update (June 2017).

### 2. SUMMARY

- 2.1 Since June 2017 there have been **3** proposals addressed and **6** new ones added onto the register.
- 2.2 We have received four new reports since the last report. Two were presented to Cabinet 5<sup>th</sup> July 2017 and two were reported to Cabinet on 1<sup>st</sup> November 2017 (see paragraph 4.8). Proposals and recommendations for improvement from these reviews are included within this report.
- 2.3 Currently we have 4 recommendations and 10 proposals on the register totalling **14** altogether. There are 3 proposals which are completed and this would leave **11** outstanding if the closures are agreed by the Audit Committee.
- 2.4 For clarity, the Wales Audit Office issue Proposals and Recommendations. The difference between the two is that a proposal is a 'suggestion for improvement'. This means the authority does not have to act on it, but if it is on the register it has been agreed that we will. A Recommendation has a statutory element to it which means we have a 'statutory duty' to act on the recommendation.

### 3. LINKS TO STRATEGY

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

### 4. THE REPORT

- 4.1 There have been five regulator outputs received since the last update. One is a certificate of compliance which has no proposals or recommendations but confirms the Council has complied with its statutory duty to produce Well being Objectives and an Annual Report for 2017.

A further two outputs were reported to Cabinet on 5<sup>th</sup> July 2017 and were:

- Good governance when determining significant service changes (2 proposals).
- Savings planning - Financial Resilience (1 proposal)

On 1<sup>st</sup> November 17 Cabinet received the "Welsh Housing Quality Standard Report which had 3 statutory recommendations. On the CCBC register (Appendix 1) the first of these recommendations has been broken down into 2 parts for ease of viewing the register.

Cabinet also received on the 1<sup>st</sup> November a report called 'Local risk based review of Information Technology and Asset Management. This report did not contain any proposals for improvement although it has some areas of for improvement. See para 4.5

- 4.2 As of June 2017 Audit Committee, there were **8** proposals / recommendations outstanding and this has increased to **14** in total as **6** new ones have come onto the register. We are recommending **3** be closed down as completed leaving **11** outstanding. See breakdown below:

Name of Report	How many proposals / recommendation outstanding	How many completed in this reporting period	How many left
Customer Service Review	1	1	0
Asset Management	1	0	1
Financial Position	1	0	1
Financial Resilience	2	1	1
Leisure Review	1	0	1
Review of arrangement to address external audit inspection	2	1	1
Good governance when determining significant service changes.	2	0	2
Savings planning (Financial Resilience)	1	0	1
Welsh Housing Quality Standard	3	New	3
<b>Total</b>	<b>14</b>	<b>3</b>	<b>11</b>

- 4.3 As of Dec 2017, two of the proposals have been on the register for more than four years (although one of those has now been completed). Two of the proposals have been on the register for over two years with another two having been on for longer than a year. Comment on this is contained in this report. There have been **109** proposals or recommendations since the register began (this does not include most of the improving governance actions as they are monitored by the Improving Governance Board).

- 4.4 There were seven proposals from the original WAO **Customer Services Review** and at the last report there was one outstanding, this has now been completed. Significant effort has gone into meeting the last of the proposals and more importantly in a way that adds value. A corporate group was put together to involve staff in formulating the Customer Service Standards which have now been produced and widely distributed through a range of signage and carry cards. Key performance indicators are established and monitored and an internal Customer surveys has taken place to further gain information on what works well and to identify areas for improvement. The Customer Service strategy is now seen as business as usual and support new ways or working such as digital transformation. We recommend this specific review work is now closed. Future developments of this service area will form part of the Authority's Business improvement programme.

- 4.5 **Asset Management** originally had 7 proposals and now there is now 1 left. The last proposal is about developing individual service asset plans and implementing monitoring arrangements. As noted in June's Report some services have individual Service Area Asset Management Plans (SAAMP) and some services are being reviewed, where the outcome of that review would determine what their SAAMP would include. The Asset Management Group has worked with those services that do not have a SAAMP and are now nearing completion on this complex area with a completion date of March 2018. The WAO carried out a follow up of our progress on our Asset Management Strategy and although there were no specific proposals for improvement some of the feedback led the WAO to conclude there were some weaknesses in the new strategy that can be improved upon.
- 4.6 **Financial Position Review** has one outstanding proposal from summer 2015 about ensuring priorities are taken into account when making savings, however this is part of the yearly finance and objective setting cycle and so is an ongoing process. Discussion takes place between the performance team and finance as the Well being Objectives and the MTFP are developed. This can happen on an emergent basis as finances and improvement are subject to change as new information emerges or situations change, however we are in the process of setting objectives that will be fixed for the next four to five years, this means this is a good time to fix a more routine process and to evaluate if this will add value. We commit to have this proposal completed by the end of the year (as this will take into account the next round of MTFP draft savings proposals).
- 4.7 **Leisure Review** - In May 16 the WAO recommended that we develop a vision and strategy for Sports and Leisure. After consideration of the WAO report by Business Improvement Programme team and Cabinet, consultants were engaged (in July 2016] following a procurement process. The purpose of the engagement was to analyse and recommend where we could place our services based on current demand, financial constraints and other factors. The consultants work took place over a period of 6-9 months and the draft outcome was received in early 2017. We reviewed the outcome and the suggestions made by the consultants and took this to the Corporate Management Team (CMT) and the new Cabinet in May 2017. However since that time the financial pressures have grown and this has affected some of the earlier direction, particularly investment decisions on certain leisure centres. The next steps are to make minor amendments to the strategy then to progress this to CMT and then into the political arena at a Policy Development Meeting in March 2018, followed by consideration at Scrutiny Committee.
- 4.8 **The Welsh Housing Quality Standard**, this is a new review but is mentioned here as the recommendations from the regulator are statutory ones. There has been considerable work to address the recommendations and to deliver the programme. The action plan is too detailed to be included within the appendix and is summarised for ease of reading. Task and finish cross party working groups have been set up and this work has extensive monitoring forums (separately to Audit Committee) including Policy and Resources Scrutiny Committee.
- 4.9 The new reports that are now in the system are as follows:

Name of Report	Where Report was presented to?	Comment
Local Review of Information Technology and Asset Management	Audit year 2016/17 Issued August 2017 Cabinet 1 <sup>st</sup> Nov 2017	No proposals
Good Governance when determining significant service changes	Audit year 2016/17 Issued March 2017 Cabinet 5th July 2017 Audit 17 <sup>th</sup> October 17	Two proposals for improvement

Financial Resilience titled 'Saving Planning'	Audit year 2016/17 Issued March 2017 Cabinet 5 <sup>th</sup> July 2017 Audit 17th October 17	One proposal for improvement
Welsh Housing Quality Standards (WHQS)	Cabinet 1 <sup>st</sup> Nov 2017	Three recommendations
Audit of Caerphilly County Borough Council's Assessment of 2016-17 Performance	Audit Committee 30 <sup>th</sup> Jan 18	For Information only item.

- 4.9 The Education Service advises there are no ESTYN reports to report on this occasion. Social Services also advise there are no final Care Social Service Inspectorate Wales reports or studies to report on at this time, although there is report due shortly which is a joint review with Health Inspectorate Wales of mental health services in the South Community Mental Health Team.
- 4.10 Wales Audit Office opinion is that the decision on whether a proposal is completed is an internal matter and is for the organisation to decide, (although it is within their remit to make more proposals if they do not believe it has been addressed). The register is forwarded onto the Wales Audit Office for their information and update once seen and agreed by Audit Committee.
- 4.11 We recommend 3 proposals be closed down as completed and encourage members to view the specific proposals attached within Appendix A and judge if they concur that the proposal is now completed.
- 4.12 When monitoring progress against the proposals, members are advised to consider what value the proposals are making and what difference the activity in addressing them has made for our citizens.

## **5. WELL-BEING OF FUTURE GENERATIONS IMPLICATIONS**

- 5.1 There are no specific implications to the well being of future generations within this report however some proposals when realised may benefit future generations for example the Leisure review which calls for the development of an agreed vision and strategy for its sports and leisure services and would contribute to a 'healthier Wales' and one of a vibrant culture and thriving Welsh language. The Asset Management Strategy contributes towards 'A Wales of Cohesive Communities'.
- 5.2 Some of the proposals may impact change of planning for example developing a longer term MTFP, from three years to five years and developing income generation policies.

## **6. EQUALITIES IMPLICATIONS**

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

## **7. FINANCIAL IMPLICATIONS**

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

## **8. PERSONNEL IMPLICATIONS**

8.1 There are no personnel implications arising from this report.

## **9. CONSULTATIONS**

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

## **10. RECOMMENDATIONS**

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

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

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

## **12. STATUTORY POWER**

12.1 Local Government Measure (Wales) 2009.

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

Appendices:

Appendix A: Update of Proposal / Recommendation Register Dec 2017

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## Action Plan 2017 Response to Regulator Proposals

Number and reference of action	Original Document	Regulator Proposal	Action	Previous Update May 2017	Service Officer Responsible	When will be completed by	Update DEC 2017	Status	Percentage completed
39	Customer Services Review (August 2013)	<b>P2: Information and data.</b> Strengthen the approach to evaluating and improving customer services in a proactive way. This should include collecting and analysing customer views and satisfaction data for e-mail and telephone correspondence.	1) Review the Customer Service standards and measures. 2) Implement survey forms for one-stop-shops and survey of contact centre 3) Broaden to other contact e.g. Housing repairs to find out what they do 4) add performance data to Ffynnon CMT scorecard	We are still reviewing the customer service standards and measures however we have now set a new list of KPIs which are updated and reported to SMT via Ffynnon. We have done one survey and having evaluated it we need to make some changes. The Head of Customer Services & Procurement is currently drafting a survey strategy and draft surveys and it is planned to carry out the activity over the summer but the scale will depend on budget savings and where to target improvement areas	Liz Lucas Head of Customer Services	Nov-14	Action complete. Service standards were launched 4th December 2018 and signage is in place. Standards have been widely communicated and promoted to all staff, including the use of easy to remember handouts. Internal surveys have been issued and returned. The results are currently being evaluated and will support the Service improvement plan going forward. External Customer surveys to be issued early January 2018. Key Performance Indicators are being reported on as business as usual via corporate scorecard	Complete	100%
46	Asset Management (Land and Property) Strategy Review (September 2013)	<b>P2:</b> Ensure that the individual service asset management plans are developed as soon as possible and are used to inform the Council's financial planning process.	Develop Service Asset Management Plan (SAMP) and consider impact on the Medium Term Financial Plan (MTFP)	The corporate Asset Management Strategy was approved at Council Nov 16. The strategy identifies that 8 out of 16 services have a service asset management and a further 8 are in development, under review or going through transformation, for example Fleet services are in the process of awarding a 7 year managed service contract. The Leisure Strategy is part of a wider review with consultants report being looked at (see Leisure Review proposal). Youth and Adults are pending a review on potential grant reductions which would affect the direction of their assets. The completion of the SAAMPS (where required) will be monitored at the Asset Management Group and good progress is being made in this area.	Mark Williams	Jan-Mar '14 (change of completion date to March 2018 due to number of reviews that affect the outcome)	Meetings have been held with all relevant service areas and in all cases production of Service Area AMPs has commenced. We have received background information from some service areas and all have been asked to work towards completion of a draft SAAMP by the end of March 2018.	In progress	75%
Page 35 FPA2015/1	Financial Position Assessment Issued May 2015	<b>P1</b> The Council should ensure that its priorities and improvement objectives are explicitly taken into account when determining its savings plans	Continue to develop linkages between Council priorities and the Medium-Term Financial Plan (MTFP).	2017/2018 savings totalling 9.046m were approved by council Feb 17, these followed the savings principles previously agreed. The Council has a potential savings requirement of circa 29M for the period 2018-2022. This will require review of the principles previously agreed and the new Cabinet priorities. This will be discussed in the coming months	Stephen Harris	Ongoing	The Interim Head of Corporate Finance is in the process of reviewing the savings principles of Cabinet and there is ongoing work to establish a process that better links the Well-being Objectives and the MTFP. For the last three years the Well-being Objectives (WBO) have had a section in the publication explaining how we would fund the Objectives, and this has to be aligned to the finance available. Meetings between Performance and Finance take place to ensure this is the case. Processes exist but both aspects ran at different times within the cycles of planning. The legal date for publishing the WBO has changed and now coincides with the same date as the MTFP, so from this year they will fall into the same timeframe of co-production. This will make it easier to finalise an effective process.	In progress	75%
New 181A2016	Financial Resilience 2015/2016 issued April 2016	<b>P1</b> The council should strengthen its financial resilience by: developing more explicit links between the Medium Term Financial Plan (MTFP) and its corporate priorities	The Acting Director of Corporate Services & Section 151 Officer will maintain a dialogue with the WAO regarding the most effective way to demonstrate a link between the MTFP and corporate priorities	Please see comment regarding draft saving proposals above in the Financial Position Assessment. The Acting Director of Corporate Services meets with the WAO every quarter to continue dialogue on a range of topics.	Stephen Harris	Ongoing	This proposal was made at the time of having a set of 4 year corporate priorities. They ran from 2013-2017 and have now ended, as such this proposal should now be closed down. We understand however the this proposal in the wider context is about matching resources to priorities and visa versa so will continue this work as part of the proposal above.	Closed	100%
New 181A2016	Financial Resilience 2015/2016 issued April 2016	Developing income generation/charging policies.	A corporate policy on income generation/charging will be progressed once the WAO produces a final national report on its "All Wales Local Government Improvement Study: Strategic approach to income generation and charging".	An Income Policy is being drafted and will be submitted to Members for consideration. Following an analysis of income corporately and learning from a commercialisation workshop we are considering opportunities for a pilot initiative rather than an action plan at this stage and focussing on development of an Income Policy in the meantime.	Rob Hartshorn	01/04/2017 (changed) July 17	The drafting of an Income Policy has been completed and is due to be presented to Corporate Management Team. It will then be finalised by the end of April 2018. Benefits and outcomes from the policy should be monitored for effectiveness.	In progress	70%

181A2016	Leisure Review (May 16)	<p><b>R1</b> The Council needs to urgently develop and agree a vision and strategy for its sports and leisure services, and set out how it will achieve this. In doing so, the Council should ensure that:</p> <ol style="list-style-type: none"> <li>1. there is effective involvement of, and engagement between, politicians and officers to strengthen corporate oversight of process</li> <li>2. relevant expertise is involved across the Council at an early stage</li> <li>3. there is a clear plan for public and stakeholder engagement</li> <li>4. There are clear links to Corporate Plans, Priorities and the MTFP</li> <li>5. Options appraisals are undertaken based on robust information base, (costs, benefits, risk etc.) each option is assessed.</li> <li>6. Appropriate consideration is given to the impact by applying the principles of the Well-being of Future Generations Act</li> <li>7. Governance and accountability mechanisms are identified to report and monitor progress in developing the vision</li> <li>8. Consideration is given to capacity of the service to develop and implement an integrated Sports and Leisure strategy</li> </ol>	<p>Following member approval the authority has engaged a consultant to: i) To establish a clear purpose for its business and other activities in Sport &amp; Leisure. (ii) Analyse and recommend "placement" of the service into the future taking into account existing practice alongside exploring opportunities for development based on current and projected demand in the Sport &amp; Leisure Industry. (iii) Establish a set of recommendations that is appropriate to the needs of the County Borough's communities and is affordable going forward. (iv) An assessment of the most appropriate operating model(s) for the Authority. (v) The preparation of a new, over-arching strategy, and delivery plan that: • Fully takes into account national strategies/priorities as well as local needs and issues set in the context of financial constraints; • Places the future rationale, and appropriate operational models for Sports &amp; Leisure in Caerphilly in accord with the "direction" being supported by Welsh Government; • Delivers a bespoke approach appropriate to the needs and demands of the communities in the County Borough. (vi) To suggest next steps (e.g.: user engagement, etc.) that the Authority may need to take.</p>	<p>Consultants report received but yet to be considered by CMT and new cabinet / council. New developments in terms of medium term financial pressures may now influence the strategic direction as well.</p>	Mark.S.Williams	May-17	<p>Recent developments in terms of MTFP and the Pontllanfraith leisure centre site have brought new influences. Officers have now drafted (August 2017) a succinct, "easy to read" strategy document which will need to be considered by CMT in early 2018 (once the new structure of CMT is finalised) prior to progressing through the various political and consultative stages before being considered for adoption by the council.</p>	In progress	75%
344A2016 (Audit year 15/16) Issued May 2016 / reported August 16	Review of arrangements to address external audit, inspection and regulation and proposals for improvement.	<p>P1 As the Council develops its vision and considers the future shape of the organisation, it should identify and plan for the workforce requirements to implement its vision.</p>		<p>This report was presented and reported to Cabinet 19th October and Audit Committee 14th Dec 2016. When this proposal and response was reported the management response agreed that workforce requirements would be based on operational need. The Council will review these requirements if and when any fundamental changes to service delivery are agreed. We will keep this open until the end of the year to see if there is a need in line with any updates to the medium term financial plan. After this time we may recommend closure of the proposal.</p>	Lynne Donovan	Oct-17	<p>Cabinet and Corporate Management Team have been working on their vision for the Authority with specific pledges that will allow them to be held to account in taking the organisation forward. The results have informed a draft report that is being presented to a Policy Development Meeting January 2018. Additionally the Medium Term Financial Plan will go to Cabinet in February. Workforce planning is not carried out in isolation and needs to support and be part of delivering a vision and support financial implications. These key activities need to happen in order to develop a workforce plan. Workforce planning is already carried out when any significant service changes occur but we believe we should keep this proposal open while the vision and budget is being finalised.</p>	In progress	40%
344A2016 (Audit year 15/16) Issued May 2016 reported August 2016	Review of arrangements to address external audit, inspection and regulation and proposals for improvement.	<p>P3 Fully address the recommendation made in the Special Inspection and proposal for improvements relating to internal audit.</p> <ol style="list-style-type: none"> <li>a) Demonstrate more clearly how the work planned as set out in the Internal Audit Plan is linked to key risks.</li> <li>b) Improve the quality of working papers.</li> <li>c) Provide summary reports to Audit Committee highlighting the findings from the work of IA during the year.</li> <li>d) Ensure the IA outturn report fully reflects the work undertaken during the year and progress against planned programme of work.</li> <li>e) Confirm the time table for peer review of its IA service and complete the self-assessment against the Public Sector Internal Audit Standards</li> <li>f) Monitor the progress of undertaking the peer review of Internal Audit and consider how the outcome will be used to strengthen IA</li> </ol>	<p>a) As part of the preparatory work on formulating the annual Internal Audit Plan Directorate Risk Registers will be reviewed. A Panel will be established to undertake this review and will be chaired by the Interim Head of Corporate Finance.</p> <p>b) Current processes will be reviewed by Dec 2016 and the Interim Head of Corporate Finance will periodically undertake a sample check. This will be reported to the Audit Committee in the Internal Audit Outturn reports.</p> <p>c &amp; d) In addition to the annual outturn report a mid-year progress report will also be presented to the Audit Committee in future. Both reports will include a summary of themes and issues arising from the audit work undertaken.</p> <p>e&amp;f) actions</p> <ol style="list-style-type: none"> <li>1.Undertake an Internal self- assessment</li> <li>2. Arrange external peer review against standards</li> <li>3. Develop action plan from any arising recommendations from peer review</li> </ol>	<p>a) IA manager has attended directorate senior management teams to review risk registers to identify items for inclusion in audit plan. In 17/18 IA will undertake a review of the process for updating and monitoring risk.</p> <p>b) Working papers have been reviewed and samples have been provided to interim head of corporate finance for quality assurance.</p> <p>c) In addition to the annual outturn report a mid-year progress report will also be presented to the Audit Committee in future. Both reports will include a summary of themes and issues arising from the audit work undertaken</p> <p>d) The 2015/16 outturn report presented to the Audit Committee on the 14th September 2016 included more detail on the range of work undertaken by Internal Audit during the year. Future reports will be enhanced to include details of themes and issues arising.</p> <p>e&amp;f) The outcome of the self assessment was reported and discussed at Audit Committee 14th Dec 2016. Arrangements for an external peer review have been agreed and will be undertaken summer 17. The outcome of the peer review will be reported to Audit Committee in September 2017. This will include any action plan to address any agreed recommendations for improvement.</p>	Stephen Harris & Richard Harris	Dec 2017 (for all actions including)	<p>The outstanding area from the last report was actions e and f. We are pleased to report that the External Peer Review was completed December 17 and the draft report was received middle of January 2018. There were no emerging issues identified and an update of the draft Peer Review outcomes will be presented to Audit Committee 30th January 2018. Now all actions have been completed and the processes moves into day to day business we believe this proposal has now been addressed and should be closed down.</p>	Complete	100%



118A2017 - (issued Feb 2017) deferred due to election until June	Good governance when determining significant service changes. <b>Presented Cabinet 5th July</b>	<b>P1</b> Introducing a more systematic and transparent arrangement for monitoring the impact of service changes	As part of the Council Report in February each year to establish a balanced budget for the next financial year an Appendix will be attached to this report listing all the service changes due to take place in the next financial year. This Appendix will include a description of the service, estimated date for implementation of changes and the relevant responsible Senior Officer and Cabinet Member. This list will be reviewed half yearly in the first instance by Corporate Management Team, followed by a report to Cabinet during the Autumn of each year as part of the mid-year budget monitoring report. This report will provide a commentary on any adverse impacts not originally envisaged/reported with actions where possible to address or mitigate these variations	NEW	Stephen Harris	Feb-18	The agreed action is to be incorporated into the 2018/19 budget. The Report will be presented to Cabinet in February and Council in March and there will be an update mid year that shows the monitoring of impact. As this has not yet been presented to Cabinet we would suggest keeping this proposal open until the mid year after which monitoring impact of service changes becomes standard practise.	In progress	80%
118A2017 - (issued Feb 2017) deferred due to election until June	Good governance when determining significant service changes. <b>Presented Cabinet 5th July</b>	<b>P2</b> More clearly setting out in reports how feedback from engagement and consultation has been taken account of in developing proposals for service change	Final reports to Cabinet/Council in respect of proposals for service change will describe in the relevant section titled "Consultations" how any consultation or engagement has influenced/changed the final proposal.	NEW	Stephen Harris	Mar-18	All Report templates require the author to describe how consultations and engagement have informed any decisions or recommendations. The 2018/19 Budget will include detailed feedback on the consultation process and outcomes in relation to draft savings proposals. This will be standard practise for Budget reporting. Once the Budget Report has been presented to Council we would suggest this proposal is completed.	In progress	80%
654A2016 (issued March deferred due to election until June)	Savings planning (Financial Resilience Presented Cabinet <b>5th July 2017</b> )	<b>P1.</b> Strengthen financial planning arrangements by ensuring that savings plans are underpinned by robust business cases	1 Develop a new template to capture detailed information on future savings proposals. The template will include consideration of the Well-being of Future Generations (Wales) Act 2015 to further develop links between the MTFP & Council Priorities an objectives. 2. Guidance notes to be produced to help managers understand why and how to complete.	NEW	Stephen Harris	Oct - Dec 18	Detailed templates have been developed to ensure that all savings proposals that have a public impact are subject to detailed assessment. The Template is being piloted within the Communities Directorate in relation to 2018/19 draft savings proposals and will be evaluated and then rolled out to the rest of the Council for the 2019/20 budget process. Guidance notes have been produced and distributed.	In progress	50%
Page 34 New WAO ref 365A2017	<b>Welsh Housing Quality Standard Issued June 2017</b> Presented Cabinet <b>1st Nov 2017</b>	<b>R1</b> The Council Should take urgent action to achieve WHQS by 2020. It should: By Sept 2017 develop a comprehensive, overarching financial and operational programme setting out how the council will achieve WHQs by 2020. To include - - Full scope of investment needed in the housing stock based on accurate, comprehensive up to date condition information	1. Write a detailed ' <b>Response Action Plan</b> ' to address each of the WAO recommendations (R1, R2, R3) and submit a report to Cabinet by November 2017.	NEW	Shaun Couzens	There is an established WHQS programme already in place, which is periodically updated as and when the latest intelligence informs of necessary changes.  WAO Response Action Plan Report to Cabinet November 2017.	<ul style="list-style-type: none"> <li>A detailed 'Response Action Plan' was presented to Cabinet on 01/11/17 highlighting a number of key actions already being delivered plus further actions that need to be considered in order to address each of the WAO recommendations (R1, R2, R3).</li> <li>The 'Response Action Plan' will be periodically monitored for progress by the; <ul style="list-style-type: none"> <li>- Caerphilly Homes Task Group (CHTG)</li> <li>- Cross Party Working Group (CPWG)</li> </ul> </li> </ul>	Action Plan Completed.  Work against actions - in progress	<ul style="list-style-type: none"> <li>100%</li> <li>58% (17/29)</li> </ul>
New WAO ref 365A2017	<b>Welsh Housing Quality Standard Issued June 2017</b> Presented Cabinet <b>1st Nov 2017</b>	<b>R1</b> Set out by March 2018 how we will - - Review its procurement arrangements to ensure value for money. - Provide clear information to members and tenants about the current position of the programme and a commitment to stakeholders with accurate projected completion dates - Secure the resources needed to deliver the programme by 2020 - Contain clear and measurable milestones and relevant performance measures for delivering the programme - Set out the programme management, governance and accountability responsibilities an arrangements so that urgent remedial action can be taken if further slippage occurs and those tasked with delivering programme can be held to account	2.Establish 'Cross Party Working Group' to consider, review, monitor progress and respond to WAO recommendations. 3.Set up timetable/schedule for WHQS/Housing Services to periodically report response, progress and achievements against each of the WAO recommendations to the Cross Party Working Group. 4.Establish feedback mechanism for WHQS/Housing Services (through the Cross Party Working Group), to maintain follow up dialogue with WAO (regulators). 5.Consider the impact of information sharing /progress reporting to other established WHQS performance framework reporting groups (refer to WHQS Governance & Performance Framework flowchart). 6.Secure improved information sharing in order to deliver an appropriate and timely phased response against each of the WAO recommendations and any follow up dialogue between interested parties. 7.Establish a 'Strategic Scorecard' to report 'achievements made' against stock condition improvements.	NEW	Shaun Couzens	Work against each of the recommendations will be ongoing throughout the life of the WHQS programme.  Officers to share briefings and updates to members of the CPWG committee on progress against each of the specific recommendations and to respond to any questions/challenges that may follow - R1 due November 2017.	<ul style="list-style-type: none"> <li>'Cross Party Working Group' (CPWG) established Oct 2017.</li> <li>1<sup>st</sup> CPWG meeting held on 05/11/17 to receive a report and presentation from WHQS/Housing and Procurement Services in response to the WAO R1.</li> <li>2<sup>nd</sup> CPWG meeting proposed for 11/01/18 to consider WAO R2.</li> <li>3<sup>rd</sup> CPWG meeting proposed for 29/01/18 to consider WAO R3</li> <li>WHQS/Housing Services currently reviewing, with support from The Performance Management Unit (PMU), data collections and information management, in order to secure improved informative performance reporting.</li> <li>At present, our WHQS Governance &amp; Performance Framework, shows that the WHQS programme, potentially reports to 11 key groups, namely: <ul style="list-style-type: none"> <li>- Repair &amp; Improvement Working Group (RIWG)</li> <li>- Caerphilly Homes Project Board (CHPB)</li> <li>- Caerphilly Homes Task Group (CHTG)</li> <li>- Policy &amp; Resource Scrutiny Committee</li> <li>- Cabinet / CMT</li> <li>- SMT</li> <li>- Environment &amp; Regeneration Scrutiny</li> </ul> </li> </ul>	In progress	<ul style="list-style-type: none"> <li>2. 100%</li> <li>3. 100%</li> <li>4. 33%</li> <li>5. 100%</li> <li>6. 33%</li> <li>7. 100%</li> </ul>

New WAO ref 365A2017	<b>Welsh Housing Quality Standard Issued June 2017</b> Presented Cabinet <b>1st Nov 2017</b>	<b>R2</b> Assure itself that it is meeting its statutory landlord responsibilities by ensuring that: - All properties have a valid gas safety certificate in place, or are having the Councils non-compliance arrangements applied to them fully - Arrangements for undertaking asbestos surveys and recording the results of these surveys are robust		NEW	Shaun Couzens	As above - R2 briefing due January 2018.	- Welsh Government (Annual Returns) - CCBC Regulators (WAO) - Public - Social Media/Newsline/Newsletter - Cross Party Working Group	Several key actions to address this recommendation were completed by Dec 2017.	80%
New WAO ref 365A2017	<b>Welsh Housing Quality Standard Issued June 2017</b> Presented Cabinet <b>1st Nov 2017</b>	<b>R3</b> Ensure it has sufficient project management capacity to deliver the Councils WHQS programme effectively by 2020	See above (R1)	NEW	Shaun Couzens	As above - R3 briefing due January 2018		In progress	



## AUDIT COMMITTEE – 30TH JANUARY 2018

**SUBJECT: INTERNAL AUDIT SERVICES PSIAS PEER REVIEW UPDATE**

**REPORT BY: INTERNAL AUDIT SERVICES MANAGER**

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### 1. PURPOSE OF REPORT

- 1.1 To provide Members with an update of progress made in respect of the peer review being undertaken as required by the Public Sector Internal Auditing Standards (PSIAS).

### 2. SUMMARY

- 2.1 The PSIAS external peer review has now been undertaken and a draft report has been received. The findings of the independent review has validated the results of the internal assessment undertaken towards the end of 2016/17 and the Internal Audit Manager will now review the previously drafted action plan in light of the peer review findings and build the improvement actions into the audit work plan.

### 3. LINKS TO STRATEGY

- 3.1 The work of Internal Audit Services provides assurance on the robustness of internal controls and the corporate governance arrangements operating within the Authority and identifies areas for improvement. Strong corporate governance arrangements are an essential element of ensuring that the Council's key priorities are effectively delivered and this in turn contributes to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015: -

- A prosperous Wales.
- A resilient 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.

### 4. THE REPORT

- 4.1 The Public Sector Internal Audit Standards (PSIAS) came into force on 1<sup>st</sup> April 2013 and introduced a requirement for internal and external assessments to be undertaken periodically to evaluate compliance with the Definition of Internal Auditing, the Code of Ethics and the Standards.

- 4.2 External assessments are required to be done every five years by someone with appropriate knowledge and experience and independent of the local authority. In order to keep costs to a minimum an arrangement has been put in place by the Welsh Chief Internal Auditors whereby all participating authorities will undertake a peer review of one other authority. Under this arrangement Caerphilly's Internal Audit Manager undertook a review of Rhondda Cynon Taff's internal audit function and Caerphilly's internal audit service has been reviewed by Monmouthshire's Internal Audit Manager.
- 4.3 The purpose of the external review is to independently validate the comprehensive internal self-assessment undertaken, the results of which were reported to the Audit Committee in December 2016.
- 4.4 The external review has been somewhat delayed due to the limited availability of the Chief Internal Auditor of Monmouthshire however the review was completed during the autumn and a draft report has recently been received.
- 4.5 The findings of the peer review are very similar to those identified within the internal assessment reported to the Committee in December 2016. Within the nationally agreed checklist there are approximately 300 best practice elements with less than 30 non conformances identified. The similarities between the two assessments does indicate that the in house review undertaken by the audit team was fair, honest and robust.
- 4.6 The conclusion within the draft report is that "the impact of the non conformance is not considered to be significant, and the Internal Audit of Caerphilly CBC complies with the standards in all significant areas and operates independently and objectively".
- 4.7 Arrangements have been made to meet and finalise the assessment report with the Chief Internal Auditor from Monmouthshire following which an exercise will be undertaken to cross match both the internal and external review findings to inform the ongoing improvement process and to ensure that all relevant actions are captured and included within the future work plan.
- 4.8 The finalised report and the revised action plan will be presented to the Audit Committee in April 2018 to provide assurance that the agreed actions are being dealt with.

## **5. WELL-BEING OF FUTURE GENERATIONS**

- 5.1 Strong corporate governance arrangements are a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

## **6. EQUALITIES IMPLICATIONS**

- 6.1 There are no equalities implications.

## **7. FINANCIAL IMPLICATIONS**

- 7.1 There are no financial implications.

## **8. PERSONNEL IMPLICATIONS**

- 8.1 There are no personnel implications.

**9. CONSULTATIONS**

9.1 Any comments received have been reflected in the report.

**10. RECOMMENDATIONS**

10.1 Members are asked to note the progress made in relation to the external peer review and the commitment to present a final report and revised action plan to the Audit Committee in April 2018.

**11. REASONS FOR THE RECOMMENDATIONS**

11.1 To ensure Members of the Audit Committee are aware of the professional standards by which the service operates.

**12. STATUTORY POWER**

12.1 Local Government Act 2000.

Author: R Harris, Internal Audit Services Manager  
Consultees: S Harris Acting Head of Corporate Finance

Gadewir y dudalen hon yn wag yn fwriadol



## AUDIT COMMITTEE – 30TH JANUARY 2018

**SUBJECT: INTERNAL AUDIT SERVICES – MID-YEAR PROGRESS REPORT**

**REPORT BY: INTERNAL AUDIT MANAGER**

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### 1. PURPOSE OF REPORT

- 1.1 To provide the Audit Committee with an overview of the work undertaken by Internal Audit Services in the first six months of the current financial year.

### 2. SUMMARY

- 2.1 In August 2016 the Wales Audit Office (WAO) issued a report on its review of arrangements within Caerphilly CBC to address external audit, inspection and regulation recommendations and proposals for improvement.
- 2.2 The WAO report contained a number of proposals for improvement, one of which was to provide summary reports to the Audit Committee highlighting the findings from the work of Internal Audit during the year.
- 2.3 This is the second such report and provides an overview of the work undertaken by Internal Audit Services in the first six months of the current financial year.

### 3. LINKS TO STRATEGY

- 3.1 The work of Internal Audit Services provides assurance on the robustness of internal controls and the corporate governance arrangements operating within the Authority and identifies areas for improvement. Strong corporate governance arrangements are an essential element of ensuring that the Council's key priorities are effectively delivered and this in turn contributes to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015: -

- A prosperous Wales.
- A resilient 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.

### 4. THE REPORT

- 4.1 The provision of summary reports to the Audit Committee highlighting the findings from the work of Internal Audit during the year was a proposal for improvement in the WAO report "Review of Arrangements to Address External Audit, Inspection and Regulation Recommendations and Proposals for Improvement – Caerphilly CBC". In response to this

proposal for improvement it has been agreed that in addition to the annual outturn report, a mid-year progress report will also be presented to the Audit Committee.

- 4.2 This report provides Members of the Audit Committee with an overview of the work undertaken by the Internal Audit Service during the first six months of the current financial year. The report provides an insight into the range of issues that the service is involved with in addition to the core audit work undertaken.
- 4.3 All appropriate audit reports are given an audit opinion based on the work undertaken and the findings arising from the audit. The audit opinions are collated and used as part of the end of year assessment which the Internal Audit Manager uses to form his overall opinion which is reported to the Audit Committee and in turn feeds the annual governance process.
- 4.4 Due to the diversity of the work undertaken reports and opinions are tailored to suit each situation. This approach has evolved over time based on experience and knowledge of the organisation. Reports arising from audit reviews of the Council's establishments use a three tier assessment consisting of (1) good (2) satisfactory and (3) in need of improvement. Audit reviews of systems although using the 1,2,3 system above, can include an assessment of both the system controls in place and the compliance with those controls, thus producing two opinions per review.
- 4.5 During the first six months of the financial year the audit resource has remained stable at 8.2 full-time equivalents, which is the level identified within the Internal Audit Services Annual Audit Plan agreed by the Audit Committee on the 8<sup>th</sup> March 2017. Sickness levels have remained low with an overall absence level of less than 1% during the first 6 months.
- 4.6 **Work carried forward from the previous year**
- 4.6.1 Eight establishment audit visits that were undertaken in the previous financial year have now been finalised with the final reports being agreed and issued.
- 4.6.2 Of these eight audits six were rated as 'satisfactory' and the remaining two were rated as 'in need of improvement'. The 'in need of improvement' establishments are both schools and these will be visited again during 2017/18 to establish if satisfactory improvements have been made. In order to assist both schools with their improvement actions Internal Audit staff have provided additional onsite training to key staff on specific areas of administration for one school and in respect of the other school a visit was made to a meeting of the governing body to both explain the key findings of the audit process and to stress the importance of them ensuring that the audit report recommendations are implemented.
- 4.6.3 Seven system audit reviews were brought forward from the previous year. 3 of these have since been finalised with final reports being agreed and issued. These audits produced 6 opinions of which 2 were 'satisfactory' and 4 were 'in need of improvement'.
- 4.6.4 The audits generating the 4 'in need of improvement' opinions were flexi compliance and Inventory records. Audit follow-up processes will revisit these areas to ensure that agreed improvements have been made.
- 4.7 **Work started within the period**
- 4.7.1 Thirteen establishment audit visits have been undertaken in the first six months of the current financial year with nine being finalised and reports agreed and issued. The remaining four are at the draft report stage awaiting final agreement from clients prior to the issue of the final reports.
- 4.7.2 In respect of the nine finalised audits four were rated as 'good', four as 'satisfactory' and one as 'in need of improvement'. In respect of the four audits at the draft report stage three are provisionally rated as 'satisfactory' and one as 'good'.



- 4.7.3 In respect of the finalised reports the one rated as 'in need of improvement' is a school and Internal Audit staff have undertaken two training visits to assist with the improvement process and as is usual a follow up audit will be undertaken to verify that suitable progress has been made.
- 4.7.4 A themed exercise was completed that looked at the administrative arrangements operating across a number of schools in respect of their usage of minibuses in the transportation of pupils. Advice and guidance drawn from the findings was provided to the Education department and has since been distributed to all schools.
- 4.7.5 In response to a request from the Education department a grant funded service provider was visited to advise and assist them in establishing control systems and procedures following a breakdown in their own processes.
- 4.7.6 3 new systems audits, 9 grant audits, and 15 NFI data matching reviews were started within the period. In addition audit staff have continued to assist on working parties in relation to primary school meals income and creditor account set up processes, as well as one member of staff taking on the role of information governance steward for Corporate Finance. The 9 completed grant audits were found to be satisfactory and the grant certificates were signed accordingly.
- 4.7.7 Thirty one contractor final accounts have been reviewed with a total value of £4.5m. Apart from four procedural reporting issues the discipline of having to submit accounts for auditing is working well and is minimising the incidence of errors or procedural issues being overlooked.
- 4.7.8 As part of an ongoing rolling review process, two reviews have been undertaken within the IT department which contribute to ongoing BSI 27001 accreditation in respect of the security arrangements within the service area. Both reviews undertaken were determined to be satisfactory.
- 4.7.9 The auditor who undertakes the BSI reviews attended specific BSI provided training to further enhance the value of the ongoing work in this area.
- 4.7.10 Internal Audit Services receives and assesses all anonymous communications received by the Authority to ensure that they are properly considered. During the six month period covered by this report 42 anonymous communications have been received and logged by Internal Audit which, where appropriate, were passed to the relevant departments for action. These communications cover a wide range of issues from possible benefit frauds, neighbour disputes, anti-social behaviour and other potential illegal behaviours. However, Internal Audit Services focus on system control failures and staff related issues and only four such issues were raised in the period. Additionally, cheques returned to the Council are also scrutinised within Internal Audit Services to identify system and control issues. 55 cheques have been returned during the reporting period. Both these operations act as a barometer in respect of underlying issues and are used to inform the internal audit planning process in respect of identifying areas that require future coverage.
- 4.8 Other advisory or miscellaneous work undertaken**
- 4.8.1 In addition to core internal audit reviews, the service has been involved in a range of other work during the first six months of the financial year: -
- 4.8.2 Internal Audit Services has led on the co-ordination of the Authority's response to the latest data collection exercise to support the National Fraud Initiative (NFI). The authority has also taken part in a pilot match of additional data (Credit Industry Fraud Avoidance system [CIFAS] fraud data to Housing Benefit data) due to the recognised historical good compliance shown in regard to NFI.

- 4.8.3 Audit staff involvement in the development and roll out of the new procedures in respect of the taxation requirements referred to as IR35 has continued.
- 4.8.4 One member of audit staff with experience of grant claim audits has continued to assist the Accountancy Grants Team to coordinate and collate grant claims ready for submission to the funding bodies.
- 4.8.5 Internal Audit Services staff have attended the Learning from Complaints Group which compliments the work undertaken within Internal Audit in respect of anonymous referrals.
- 4.8.6 Continued attendance at the Payment Card Industry (PCI) compliance forum contributing to the maintenance of the Authority's compliance with the PCI Standards.
- 4.8.7 The Internal Audit Manager is a member of the Corporate Governance Review Panel and facilitates the annual review process which takes place throughout the year culminating in the draft Annual Governance Statement (AGS) being presented to the Audit Committee for consideration. This year the draft AGS statement was presented to Audit Committee on 7<sup>th</sup> June 2017 and work has continued since to prepare for the 2017/18 review and to further develop the governance processes.
- 4.8.8 Internal Audit Services continues to participate in the South Wales Chief Auditor Group Training programme. During the reporting period one member of staff attended the 'Fundamentals of auditing' course, two attended a 'fraud in the public sector' course and four attended the 'Evaluating risks and controls' session.

## **5. WELL-BEING OF FUTURE GENERATIONS**

- 5.1 Strong corporate governance arrangements are a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

## **6. EQUALITIES IMPLICATIONS**

- 6.1 This report is for information purposes, so the Council's Equalities Impact Assessment (EqIA) process does not need to be applied.

## **7. FINANCIAL IMPLICATIONS**

- 7.1 There are no direct financial implications arising from this report.

## **8. PERSONNEL IMPLICATIONS**

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

## **9. CONSULTATIONS**

- 9.1 There are no consultation responses that have not been included in this report.

## **10. RECOMMENDATIONS**

- 10.1 The Audit Committee is asked to note the content of this report.

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

- 11.1 To ensure that the Audit Committee is aware of the work undertaken by Internal Audit Services in the first half of the current financial year.

## **12. STATUTORY POWER**

- 12.1 The Local Government Act 1972.

Author: Richard Harris, Internal Audit Manager  
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Consultees: Stephen Harris, Interim Head of Corporate Finance

Gadewir y dudalen hon yn wag yn fwriadol



## **AUDIT COMMITTEE – 30TH JANUARY 2018**

**SUBJECT:       AUDIT COMMITTEE FORWARD WORK PROGRAMME**

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

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1.     The attached report demonstrates the Audit Committee Forward Work Programme.
  2.     Forward Work Programmes are essential to ensure that Audit Committee agendas reflect the strategic issues facing the Council and other priorities raised by Members, the public or stakeholders.
  3.     The Audit Committee Forward Work Programme identifies reports that are due to be presented to the Committee until October 2018. The document is a working document and is regularly updated when additional reports are identified.
  4.     The latest Audit Committee Forward Work Programme is attached at Appendix 1.

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

Appendices:  
Appendix 1     Audit Committee Forward Work Programme

## FORWARD WORK PROGRAMME FOR AUDIT COMMITTEE

Deadline (12 Noon) Reports To Committee Services	Meeting Date	TOPIC	RESPONSIBILITY
19.03.18	03.04.18	<p><b>Items for Discussions:-</b></p> <p>Corporate Risk Register</p> <p>2018 Audit Plan – Caerphilly County Borough Council</p> <p>Certification of Grants and Returns 2016/17 – Caerphilly County Borough Council</p> <p>Internal Audit Services Annual Audit Plan 2018/19</p> <p>Audit Committee Forward Work Programme</p> <p><b>Information Items:-</b></p> <p>Officers Declarations of Gifts and Hospitality – October to December 2017</p> <p>Regulation of Investigatory Powers Act 2000</p> <p>Corporate Governance Panel Minutes – 09/10/17</p>	<p>R. Roberts</p> <p>Grant Thornton</p> <p>Grant Thornton</p> <p>R. Harris</p> <p>N. Scammell</p> <p>L. Donovan</p> <p>G. Williams</p> <p>R. Harris</p>

Deadline (12 Noon) Reports To Committee Services	Meeting Date	TOPIC	RESPONSIBILITY
09.07.18	24.07.18	<p><b>Items for Discussions:-</b></p> <p>Audit Committee Assurance Over Management Processes and Arrangements</p> <p>Financial Statement for 2017/18</p> <p>Regulator Proposals for Improvement Progress Update</p> <p>Draft Annual Governance Statement For 2017/18</p> <p>Audit Committee Forward Work Programme</p> <p><b>Information Items:-</b></p> <p>Annual Review of Complaints Received Under The Council's Corporate Complaints Policy – 1/4/17 – 31/3/18</p> <p>Certificate of Caerphilly County Borough Council's 2018/19 Improvement Plan</p> <p>Regulation of Investigatory Powers Act 2000</p> <p>Officers Declarations of Gifts and Hospitality – January to March 2018</p> <p>Register of Employees' Interest Forms 2017/18</p> <p>Corporate Governance Panel Minutes – Date to be confirmed</p>	<p>S. Harris</p> <p>S. Harris</p> <p>R. Roberts</p> <p>R. Harris</p> <p>N. Scammell</p> <p>G. Williams</p> <p>R. Roberts</p> <p>G. Williams</p> <p>L. Donovan</p> <p>L. Donovan</p> <p>R. Harris</p>

Deadline (12 Noon) Reports To Committee Services	Meeting Date	TOPIC	RESPONSIBILITY
1.10.18	16.10.18	<p><b>Items for Discussions:-</b></p> <p>Corporate Risk Register</p> <p>Internal Audit Services – Annual Outturn Report for 2017/18</p> <p>Audit Committee Forward Work Programme 2016/17</p> <p><b>Information Items:-</b></p> <p>Regulation of Investigatory Powers Act 2000</p> <p>Officers Declarations of Gifts and Hospitality – April to June 2018</p> <p>Corporate Governance Panel Minutes – Date to be confirmed</p>	<p>R. Roberts</p> <p>R. Harris</p> <p>N. Scammell</p> <p>G. Williams</p> <p>L. Donovan</p> <p>R. Harris</p>





**Reference:** 281A2017-18

**Date issued:** November 2017

## Audit of Caerphilly County Borough Council's Assessment of 2016-17 Performance

### Certificate

I certify that I have audited Caerphilly County Borough Council's (the Council's) assessment of its performance in 2016-17 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: Alun Davies – Cabinet Secretary for Local Government and Public Services  
Non Jenkins, Manager



## **AUDIT COMMITTEE – 30TH JANUARY 2018**

**SUBJECT: OFFICERS DECLARATIONS OF GIFTS AND HOSPITALITY  
JULY TO SEPTEMBER 2017**

**REPORT BY: ACTING HEAD OF HUMAN RESOURCES AND ORGANISATIONAL  
DEVELOPMENT**

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

- 1.1 The purpose of the report is to provide the Audit Committee with information regarding the Register of Employees' Interests Forms completed by officers of the Council (excluding Schools) regarding Gifts and Hospitality for the period 1 July to 30 September 2017 i.e. the second quarter of the financial year 2017/18 and a comparison with the previous three quarters.

### **2. SUMMARY**

- 2.1 Enclosed as Appendix 1 is a list of Register of Employees' Interests Forms in respect of Gifts and Hospitality completed by officers of the Council (excluding Schools) for the 3 months 1 July to 30 September 2017.

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

- 3.1 The Council's Code of Conduct for Employees confirms that in performing their duties, employees must act with integrity, honesty, impartiality and objectivity and that they must act in accordance with the principles set out in this Code, recognising the duty of all public sector employees to discharge public functions reasonably and according to the law. This is a Statutory Code requirement.
- 3.2 The Council acting through the Audit Committee is required to report officer declarations regarding Gifts and Hospitality on a quarterly basis.

### **4. THE REPORT**

- 4.1 The Council's Code of Conduct for Employees sets out guidance for employees on a range of issues, including the completion of a Register of Employee Interests form, which will help maintain and improve the high standards of conduct within local government and protect employees from misunderstandings and confusion.
- 4.2 Completed Register of Employees' Interests forms are submitted to Heads of Service, Directors or the Chief Executive who countersign the forms to show they are aware of the declaration. The form also records details of any controls / action taken to protect the Council's interests in the circumstances outlined on the form. A copy of the countersigned form is given to the employee and a copy sent to Human Resources for filing on the employee's personal file.

- 4.3 The Head of Service, Director or Chief Executive retains the original form and maintains a summary spreadsheet to record the forms. On a monthly basis the summary spreadsheet or a nil return is submitted to Human Resources for collation and monitoring for consistency and compliance.
- 4.4 In accordance with the Council's Code of Conduct for Employees, Gifts / Hospitality of less than £25 may be accepted by the employee but any Gift / Hospitality which could be seen by a third party as placing the employee under an improper obligation such as more than one Gift / Hospitality from the same party must be refused, irrespective of its value.
- 4.5 Employees may accept small offers of Hospitality only where the activity is of a nature where there is a genuine need to impart information or to represent the Council in the community. Offers to attend purely social or sporting functions should be accepted only when these are part of the life of the community or where the Council should be seen to be represented.
- 4.6 The table below details the number of declarations regarding Gifts submitted by Directorate for the period 1 July to 30 September 2017 and the previous three quarters for comparison.

Directorate	Number of declarations received - Gifts			
	July – Sept 2017	April – June 2017	Jan – March 2017	Oct – Dec 2016
<b>Communities</b>	0	1	0	3
<b>Corporate Services</b>	0	0	0	4
<b>Education and Lifelong Learning</b>	0	0	0	0
<b>Social Services</b>	1	0	0	2
<b>Total</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>9</b>

- 4.7 The table below details the number of declarations regarding Hospitality submitted by Directorate for the period 1 July to 30 September 2017 and the previous three quarters for comparison.

Directorate	Number of declarations received - Hospitality			
	July – Sept 2017	April – June 2017	Jan – March 2017	Oct – Dec 2016
<b>Communities</b>	1	1	0	7
<b>Corporate Services</b>	0	0	0	0
<b>Education and Lifelong Learning</b>	0	0	0	0
<b>Social Services</b>	0	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>7</b>

- 4.8 The Acting Head of Human Resources and Organisational Development will continue to monitor the declarations submitted and work with Heads of Service, Directors and the Chief Executive to improve their understanding, promote best practice and corporate compliance to the Code of Conduct where appropriate.

## **5. WELL-BEING OF FUTURE GENERATIONS**

5.1 Having considered the five ways of working, they will not be affected by the contents of this report.

## **6. EQUALITIES IMPLICATIONS**

6.1 There are no equalities implications, as the reason for declaring an interest applies equally to all staff, regardless of their individual characteristics.

## **7. FINANCIAL IMPLICATIONS**

7.1 None.

## **8. PERSONNEL IMPLICATIONS**

8.1 The personnel implications are included in this report.

## **9. CONSULTATIONS**

9.1 There are no consultation responses that have not been included in the report.

## **10. RECOMMENDATIONS**

10.1 The Audit Committee are asked to note the contents of this report.

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

11.1 The recommendations are designed to ensure members of the Audit Committee have an oversight of the position in relation to officers' Gifts and Hospitality.

## **12. STATUTORY POWER**

12.1 Local Government Act 2000.

Author: Lynne Donovan, Acting Head of Human Resources and Organisational Development

Consultees: Stephen Harris, Acting Head of Corporate Finance  
Richard Harris, Interim Deputy Monitoring Officer  
Cllr Colin Gordon, Cabinet Member for Corporate Services

Appendices:  
Appendix 1 Declarations of Gifts and Hospitality 1 July to 30 September 2017.

**Appendix 1**  
**Declarations of Gifts and Hospitality – 1 July to 30 September 2017**

Directorate	Service Area	Post Title of Employee Making the Declaration	Type of Declaration	Details Of Declaration	Post Title of Head of Service, Director or Chief Executive who authorised the Declaration	Outcome
Social Services	Adult Services	Carers Support Worker	Gift	£10 cash gift from a Carer	Assistant Director Adult Services	Accepted
Communities	Regeneration	Interim Head of Regeneration	Hospitality	Invitation to opening of new restaurant in Caerphilly. Approx value £20-£25	Corporate Director Communities	Accepted



## AUDIT COMMITTEE – 30TH JANUARY 2018

**SUBJECT: REGULATION OF INVESTIGATORY POWERS ACT 2000**

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

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### 1. PURPOSE OF REPORT

- 1.1 To advise Members of the numbers of covert surveillance operations undertaken by the Council in accordance with the provisions of the Regulation of Investigatory Powers Act 2000 (RIPA) for the period 1<sup>st</sup> October, 2017 to 31<sup>st</sup> December, 2017

### 2. SUMMARY

- 2.1 To provide an update on the number of operations undertaken in accordance with RIPA for the period 1<sup>st</sup> October, 2017 to 31<sup>st</sup> December, 2017.

### 3. LINKS TO STRATEGY

- 3.1 The Council is under an obligation to comply with legislative requirements - this report helps to achieve that.
- 3.2 The Regulation of Investigatory Powers Act 2000 (RIPA) provides a statutory mechanism for authorising directed surveillance and the use of a covert human intelligence source, which aims to ensure that any interference with the individual's right to privacy under Article 8 of the European Convention is necessary and proportionate, and that both the public interest and the human rights of individuals are protected and as such contributes to the following well-being goals within the Well-being of Future Generations act (Wales) 2015.
- A prosperous Wales
  - A resilient Wales
  - A healthier Wales
  - A globally responsible Wales

### 4. THE REPORT

- 4.1 The Regulation of Investigatory Powers Act 2000 (RIPA) sets out strict controls for public authorities wishing to carry out covert surveillance of individual members of the public as part of their exercise of their statutory functions. In addition to the Act, advice and guidance is found within the Codes of Practice issued by the Home Office.
- 4.2 The Authority has a corporate policy, which provides guidance on how surveillance should be used by the relevant officers.

- 4.3 Public Authorities undertaking covert surveillance of individual members of the public are subject to inspection by an Assistant Surveillance Commissioner or by a Surveillance Inspector (or in some cases both).
- 4.4 Members are advised that for the period 1<sup>st</sup> October, 2017 to 31<sup>st</sup> December, 2017, there has been one RIPA operation undertaken which related to the sale of alcohol to minors.

## **5. EQUALITIES IMPLICATIONS**

- 5.1 None, the report is for information only.

## **6. WELL BEING OF FUTURE GENERATIONS**

- 6.1 This report contributes to the Well-being goals as set out in the Links to Strategy above as compliance with the provisions of RIPA ensures that any interference with an individual's right to privacy under Article 8 of the European convention is necessary and proportionate, and that both the public interest and the human rights of individuals are protected.

## **7. FINANCIAL IMPLICATIONS**

- 7.1 None, the report is for information only.

## **8. PERSONNEL IMPLICATIONS**

- 8.1 None, the report is for information only.

## **9. CONSULTATIONS**

- 9.1 None. The report is for information only.

## **10. RECOMMENDATIONS**

- 10.1 None. Members note the information provided.

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

- 11.1 To ensure compliance with statutory requirements.

## **12. STATUTORY POWER**

- 12.1 Regulation of Investigatory Powers Act 2000.

Author: Lisa Lane, Corporate Solicitor  
Consultees: Richard Harris, Interim Deputy Monitoring Officer





### **AUDIT COMMITTEE – 30TH JANUARY 2018**

**SUBJECT: UPDATE ON THE NUMBER OF COMPLAINTS RECEIVED UNDER THE COUNCIL'S CORPORATE COMPLAINTS POLICY**

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

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

- 1.1 To provide Members with an update on the number of complaints received under the Corporate Complaints Policy for the period 1<sup>st</sup> April, 2017 to 30<sup>th</sup> September, 2017.
- 1.2 To update Members on the use of the Policy and Procedure to deal effectively with unacceptable, persistent or unreasonable actions by complainants.

#### **2. SUMMARY**

- 2.1 To provide members with an overview of the corporate complaints, which, is one of the ways in which, the Council gains information on the level of satisfaction or dissatisfaction of the services provided by the Council. The result of the monitoring enables each department to focus on areas of concern, to improve services and to monitor performance and ensure that any trends in issues raised are identified and dealt with so as to be avoided in the future.
- 2.2 To update Members on the implementation of the Policy and Procedure to deal effectively with unacceptable, persistent or unreasonable actions by complainants.

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

- 3.1 Monitoring of the Council's corporate complaints and successful resolution of those complaints contributes to the following Well-Being goals within the Well-Being of Future Generations Act (Wales) 2015 as it supports the provision of higher quality and more effective services to the public across all service areas. In addition monitoring provider's information on the level of satisfaction of the services provided corporately by the Council. The result of the monitoring enables each department to focus on areas of concern, to improve services and to monitor performance, ensure that any trends or issues raised are identified and dealt with so as to be avoided in the future and to ensure that corporate complaints are dealt with consistently and fairly across all service areas.

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities and thriving Welsh language
- A globally responsible Wales.

#### 4. THE REPORT

4.1 On 1<sup>st</sup> April, 2013, the Council implemented a new Corporate Complaints Policy (referred to as the Policy in this report), in order to reflect the model policy introduced by the Welsh Government which was amended and updated in January 2016 and is available on the Council's website.

4.2 This Committee has received regular updates on the implementation of the Policy, details of which are set out in the background papers.

4.3 This report provides an update on the complaints received from the period 1<sup>st</sup> April, 2017 to 30<sup>th</sup> September, 2017.

#### 4.4 Review of Corporate Complaints

4.4.1 The data referred to below represents the number of complaints received from 1<sup>st</sup> April, 2017 to 31<sup>st</sup> September, 2017, for each Directorate referred to, together with an overview of the response timescales.

4.4.2 In addition, the complaints data captured includes the outcome of each complaint, namely whether a complaint has been upheld, not upheld or partially upheld. An overview of the outcomes in respect of Stage 1 complaints are set out in paragraph 4.4.5(c) and an overview of the outcomes in respect of Stage 2 Complaints are set out in paragraph 4.4.5 (g) below.

4.4.3 Members are reminded that the number of complaints listed for Social Services and Education are significantly lower than those of other Directorates such as Housing and the Environment. The reason for the difference is that this report only includes details of corporate complaints received for those service areas. Social Services operate a separate complaints policy for service users. Within Education the respective schools deal with their own complaints. Members have received separate reports on both areas in the past.

4.4.4 The total number of corporate complaints received across the Authority during this period is 83 comprising the following:-

	<b>% of total number of complaints received 1<sup>st</sup> April, 2017 – 30<sup>th</sup> September, 2017</b>	
		%
Corporate	11	13.3
Education	3	3.6
Environment	37	44.6
Housing	28	33.7
Social Services	1	1.2
Other (cross Directorate)	3	3.6

4.4.5 A breakdown of the types of complaints are summarised as follows:

#### Stage 1 Corporate Complaints

(a) Title	Actual
Number of Stage 1 complaints received in Corporate Services	10
Number of Stage 1 complaints received in Education	3
Number of Stage 1 complaints received in Environment	28
Number of Stage 1 complaints received in Housing	25
Number of Stage 1 complaints received in Social Services	1
Number of Stage 1 complaints received Other (cross directorate)	<u>0</u>
	67

- (b) The total number of complaints received at Stage 1 were 67 of those 57 were responded to within timescale and 8 outside the timescale (5.36%) 1 did not proceed and 1 was on hold.
- (c) Of the 67 Stage 1 complaints responded to 13 have been upheld, 43 were not upheld and 9 have been partially upheld 1 did not proceed and 1 was on hold. The breakdown of outcomes for each Directorate is listed below:

#### Outcomes of Stage 1 Complaints

	Upheld	Not Upheld	Partially Upheld	Did Not Proceed	On Hold
Corporate Services	5	4	1	0	0
Education	0	3	0	0	0
Environment	8	17	3	0	0
Housing	0	18	5	1	1
Social Services	0	1	0	0	0
Other (cross Directorate)	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
	13	43	9	1	1

#### Stage 2 Corporate Complaints

(d)	Title	Actual
	Number of Stage 2 complaints received in Corporate Services	5
	Number of Stage 2 complaints received in Education	0
	Number of Stage 2 complaints received in Environment	16
	Number of Stage 2 complaints received in Housing	11
	Number of Stage 2 complaints received in Social Services	0
	Number of Stage 2 complaints received Other (cross directorate)	<u>3</u>
		35

- (e) The total number of complaints received at Stage 2 was 35 of those 35 were responded to within timescale.
- (f) Of the Stage 2 complaints, 16 were commenced at Stage 2 and 19 were escalated from stage 1 to Stage 2, 8 within Housing, 7 within Environment and 4 within Corporate Services.
- (g) Of the 35 Stage 2 complaints responded to 7 have been upheld, 22 were not upheld, 6 were partially upheld. The breakdown of outcomes for each Directorate is listed below.

#### Outcomes of Stage 2 Complaints

	Upheld	Not Upheld	Partially Upheld
Corporate Services	1	4	0
Education	0	0	0
Environment	3	10	3
Housing	3	6	2
Social Services	0	0	0
Other (cross directorate)	<u>0</u>	<u>2</u>	<u>1</u>
	7	22	6

4.4.6 Equalities and Welsh Language complaints dealt with under the Corporate Complaints Policy are monitored and reported to Members of this Committee as part of the overall figures, but detailed information also forms part of the statutory annual reporting framework to the Equality and Human Rights Commission and the Welsh Language Commissioner's Office. The Council's Policy and Resources Committee and Cabinet receives an annual report regarding progress against the targets in the Council's Strategic Equality Plan 2016-2020 and against the Welsh Language Standards prior to submission to the relevant commission.

4.4.7 Members will note that 8 stage 1 complaints were not responded to within the required timescale although all response times for Stage 2 were met. The responses were provided between one and twenty five days over the deadline due to various reasons such as officers on leave, workloads, an administrative error or additional information needed in order to respond. The response times are being monitored and complaints officers have been asked to remind staff of the requirements to comply with the timescales and where this is not possible to seek agreement from the customer to extend the deadline for providing the response. These figures will continue to be monitored.

#### **4.5 Review of Trends and Types of Complaints**

4.5.1 This information will be provided as part of the Annual Report.

4.5.2 The types of complaints received during this six months period have been wide ranging for example civic amenity site visits, household recycling waste, overhanging trees, allotment issues, planning applications, complaints in relation to green sacks, queries over WHQS works, charges to leaseholders, response to repairs, council tax, conditions of roads and antisocial behaviour. The Appendix sets out anonymised examples of complaints dealt with.

#### **4.6 Ombudsman Referrals**

4.6.1 Since the last report to Audit Committee 14 complaints have been referred to the Ombudsman, 4 of which had exhausted the Corporate Complaints Policy and 10 were made prematurely. None were taken to investigation, however the Council has agreed to one quick fix in relation to one of the complaints which related to a Community and Leisure service matter. A quick fix is a voluntary settlement agreed so as to achieve an early resolution to the issues under consideration.

#### **4.7 Update On The Use Of A Vexatious Complainants Policy**

4.7.1 Members are advised that there have been no referrals made under this policy, although the corporate complaints group will continue to monitor its use. The Group however acknowledge that it is a useful aide in dealing with potential vexatious complainants.

### **5. WELLBEING OF FUTURE GENERATIONS**

5.1 This report contributes to the Wellbeing Goals as set out in Links to Strategy above. It is consistent with the five ways of working as defined within the sustainable development principle in the act in that the monitoring of the Council's corporate complaints handling across all service areas and enables departments to focus on areas of concern, to improve services and to monitor performance to ensure that any issues raised are identified and dealt with so as to be avoided in future.

### **6. EQUALITIES IMPLICATIONS**

6.1 Monitoring of complaints via the Corporate Complaints policy addresses the Council's statutory duties under the Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 and the Welsh Language Measure (Wales) 2011 in two ways. It addresses specific complaints to the Council around alleged discrimination by service areas and also addresses the monitoring of complaints from people who fall under the categories protected by three statutory duties.

6.2 The full details of these issues (that cover wider matters than are recorded as Corporate Complaints in this report) are included in the annual reports provided to the Equalities and Human Rights Commission and the Welsh Language Commissioner's Office. Policy and Resources Scrutiny and cabinet consider these reports prior to being published.

## **7. FINANCIAL IMPLICATIONS**

7.1 There are no direct financial implications associated with this report.

## **8. PERSONNEL IMPLICATIONS**

8.1 There are no personnel implications associated with this report.

## **9. CONSULTATIONS**

9.1 The views of the consultees have been incorporated into this report.

## **10. RECOMMENDATIONS**

10.1 It is recommended that Members note the contents of the report.

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

11.1 To monitor the complaints process to ensure effective delivery of Council services.

## **12. STATUTORY POWER**

12.1 Local Government Act 1972-2003.

Author: Lisa Lane, Corporate Solicitor  
Consultees: Jan Carter, Senior Housing Officer  
Gemma Hoare, Housing Officer (Customer Services)  
Robert Waggett, Customer Services Development Officer  
Kim Davies, Customer Services/Complaints Officer  
Karen Williams, Support Officer  
Judith Morgans, Customer Services Manager  
Ros Roberts, Performance Manager  
Andrea Jones, Corporate Complaints Officer  
Anwen Cullinane, Senior Policy Officer – Equalities and Welsh Language  
Richard Harris, Internal Audit Manager  
Deborah Gronow, Auditor  
Leigh Brook, Corporate Finance  
Lianne Dallimore, Medium Term Financial Plan Programme Coordinator

### **Background Papers:**

Report to Audit Committee 14<sup>th</sup> June, 2017 – Update on the number of complaints received under the Council's corporate complaints policy

Report to Audit Committee 14<sup>th</sup> December, 2016 – Update on the numbers of complaints received under the Council's corporate complaints policy

Report to Audit Committee 9<sup>th</sup> March, 2016 - Update on the numbers of complaints received under the Council's corporate complaints policy

Report to Audit Committee 9<sup>th</sup> September, 2016 - Update on the numbers of complaints received under the Council's corporate complaints policy

Report to Audit Committee 11<sup>th</sup> March, 2015 - Update on the numbers of complaints received under the Council's corporate complaints policy

Report to Audit Committee 10<sup>th</sup> September, 2014 - Update on the numbers of complaints received under the Council's corporate complaints policy

Report to Audit Committee 5<sup>th</sup> March, 2014 - Update on the numbers of complaints received under the Council's corporate complaints policy

Report to Audit Committee 17<sup>th</sup> September, 2013 - Update on the numbers of complaints received under the Council's corporate complaints policy.

Appendices:

Appendix 1            Anonymised examples of complaints dealt with during this reporting period.

## Appendix 1

### Housing matter

An owner/occupier received an invoice for their share of the cost to remove a joint chimney stack. However, they were not happy to pay the full amount of the invoice as they were not satisfied with the way the situation had been handled. The owner/occupier claimed the matter had been ongoing for a year and she was still waiting for some internal 'bricking up' works to be completed. On reviewing the records, with particular reference to the specification of the works to be undertaken, it was noted that the owner/occupier had been advised the work would include face brickwork ½ brick thick with piers pointed one side to brick up the party wall. However, this work was not undertaken by the contractor as the removal of the chimney stack did not require any remedial work affecting the whole of the party wall, only the area where the stack was removed. In recognition of this it was agreed that this element of the charge would be withdrawn and the invoice amended accordingly. Lesson learned – future surveys to be more thorough in order to provide a more accurate specification.

### Allotment Issue:

A complaint was raised in relation to an issue concerning allotments. On receiving the complaint the allotment officer investigated the matter and anomalies were identified with the process in relation to notice to quit.

The allotment officer as a result of the complaint has reinforced with the site committee that in the event of a dispute they are to follow and adhere to the procedure and constitution for allotment rules.

### Social Services complaint

A grandmother complained that she had attended a Social Services family room with her daughter to have contact with her grandson. The grandmother complained that:

- a) her clothes were covered in animal hair after playing on the floor
- b) the toys and table were dirty
- c) there was mould on the ceiling
- d) a toy was broken and caused a hazard to her grandchild

To ensure a fair response could be made, a Complaints Officer was directed to visit the office on the day the complaint was received, to undertake an unannounced visit to the family room, to assess the areas of complaint. The Officer found:

- a) no evidence of animal hair and the team members who were present that day said that pets are not allowed into the family room.
- b) the toys and table were well used but not dirty. The team explained that the toys are donated and are well used but the team make every effort to clean the room and toys between contacts, within the time limits available to them.
- c) one ceiling tile that was stained and he emailed the Facilities team that day to ask them to replace this and investigate the reason for any damp.
- d) one toy was broken; however, the Officer had to pull on each of the wires before discovering this. The toy was disposed of immediately and the grandmother was advised in the letter of response to make staff aware of any issue in future to minimise risk to all children.

A full response was made to the complainant.

## WHQS works

A complaint was received from an elderly tenant's son in relation to the failure to meet the proposed start date for the WHQS works and the disruption this caused. When start dates were provided the family made arrangements to re-arrange furniture, protect and pack away personal effects, clear away goods to make room in the shed etc but unfortunately the works did not proceed. It was explained that issues had been encountered with the current contractor and their ability to resource the required works to this property and other properties within the contract, the contractor later went into liquidation. Subsequently this property and others were removed from the contractor's work programme and arrangements were made for the works to be completed by the council's in-house workforce at the earliest opportunity. Following the completion of the work a thank you card was received from the complainant stating how pleased they were with the finished product and the professionalism of the workforce. Lesson learned – improve communication with tenants as soon as issues are identified with a contractor.

## Council Tax

A complaint was received from Solicitors acting on behalf of their client in connection with the sale of a deceased person's property. The Solicitors felt that their calls to our office had been disregarded and we displayed discourtesy in the manner in which we had dealt with this matter.

After investigating the complaint the main crux of the matter related to the fact that they did not receive a reply to their original communication requesting an explanation as to why the council tax charges were due. Unfortunately the letter was never forwarded to the Council Tax Section by the Customer First Section. Subsequently this resulted in legal proceedings and costs due to the client.

Sincere apologies and an explanation for the administrative error was given along with the answers to the original questions regarding charges. Legal proceedings withdrawn and a full refund given.

## Education admissions

Admissions concern regarding CCBC Admission Policy. The Local Authority received a request for a child to attend a CCBC school. The parent applied for a nursery place at their local school. Unfortunately the application was late and the closing date for applications was February. The application was received in March. Any late application must be dealt with under the late application process which means that all applications received within the normal admission round and before the deadline are considered first. The application was refused as all the places were allocated up to the schools admission number and in this case there were more applications received than places available therefore the Council's Admissions team applied the published oversubscription criteria in allocating those places.

The reason this concern proceeded as a Corporate Complaint was because there is no right of appeal to the independent appeal panel for non-statutory school aged children. Nursery and post 16 education are examples of non-statutory education. Appeals for statutory age children fall under a separate procedure and are subject to an Independent Appeal Panel.

The complaints officer investigated the parents' concerns and found that the admissions team had complied with the CCBC published admission policy and that the policy adhered to current legislation, specifically the Welsh Government, School Admission Code, statutory document 005/2013.

The CCBC Admissions policy is published on the Councils website and is part of the 'Starting School Booklet' also available on the website.

The finding in this case was complaint not upheld. The officer was considerate and sympathetic in the response as had the parent applied on time it was highly likely the child would have been offered a place as it was their catchment school. It is also difficult as some the nursery children who were accepted at the time do not have automatic rights to continued education at the school; this is clearly



stated on the nursery admission form. It is therefore probable that should the complainant choose to apply for this school for reception they would have a place and if the school receives more applications than places available and if the application is not late a child currently attending the nursery that is lower down on the oversubscription criteria would not.

Gadewir y dudalen hon yn wag yn fwriadol



## AUDIT COMMITTEE – 30TH JANUARY 2018

**SUBJECT: WALES AUDIT OFFICE (WAO) LOCAL RISK BASED REVIEWS: ASSET MANAGEMENT AND INFORMATION MANAGEMENT AND TECHNOLOGY - CAERPHILLY COUNTY BOROUGH COUNCIL**

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

- 
- 1.1 The report, which was considered by Cabinet on 1st November 2017, provided details of the review undertaken by Wales Audit Office (WAO) in respect of Asset Management and Information Management and Technology (IM&T).
  - 1.2 The review outlined no statutory recommendations or proposals for improvement but proposed further work, particularly around the Business Improvement Board.
  - 1.3 The document concluded that the Council has a good understanding of its assets and current IT arrangements but lacks a strategic approach to direct their use. With regards to Information Management and Technology it was noted that there are a range of related policies, plans and processes but no overarching digital strategy to drive activities. The WAO acknowledged that the Council is currently developing an outline business case to consider whether to join the regional Shared Resource Service (SRS) and as such, consideration would be given to carrying out more specific work, focussing on one or more area as part of the 2017-18 performance audit programme.
  - 1.4 The WAO report concluded that as a result of ongoing reviews, it would not be helpful to have a corporate asset management plan and service asset management plans covering those services currently under review. However, as the reviews are completed, the Council will need to consider if its corporate asset management strategy should be updated to accommodate any asset related issues. It also concluded that, as a result of the findings from a number of reviews over the last 12-18 months, there was a need to carry out a detailed review of the effectiveness of Council's Business Improvement Board in providing strategic overview and direction for the Council's key business improvement projects.
  - 1.5 The Audit Committee are asked to note the report.

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

Appendices:  
Appendix 1 Report to Cabinet – 1st November 2017



## CABINET – 1ST NOVEMBER 2017

**SUBJECT: WALES AUDIT OFFICE (WAO) LOCAL RISK BASED REVIEWS: ASSET MANAGEMENT AND INFORMATION MANAGEMENT AND TECHNOLOGY - CAERPHILLY COUNTY BOROUGH COUNCIL**

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

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### 1. PURPOSE OF REPORT

- 1.1 To advise Cabinet of the outcome of the review undertaken by WAO in respect of Asset Management and Information Management and Technology (IM&T). The WAO review has no statutory recommendations or proposals for improvement, hence Cabinet will be asked to consider endorsing the report and to note future work WAO are proposing to undertake.

### 2. SUMMARY

- 2.1 The report presents findings by WAO after a review of Asset Management and Information Management and Technology. WAO are proposing further work particularly around the Business Improvement Board. At this point there are no proposals for improvement or statutory recommendations.

### 3. LINKS TO STRATEGY

- 3.1 Effective Asset Management Plans along with a proactive use of technology support the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015:
- *A prosperous Wales*
  - *A resilient Wales*

### 4. THE REPORT

- 4.1 The WAO concluded that the Council has a good understanding of its assets and current IT arrangements but lacks a strategic approach to direct their use.
- 4.2 In respect of IM&T WAO concluded that the Council has a range of related policies, plans and processes but lacks an overarching digital strategy to drive its activities.
- 4.3 WAO acknowledged that as the Council is currently developing an outline business case to consider whether to join the regional Shared Resource Service (SRS) consideration would be given to carrying out more specific work, focussing on one or more of the following areas as part of their 2017-18 performance audit programme:
- to explore more fully the Council's approach to digital and IT after it has made a decision about joining the SRS in the autumn;
  - IM&T resilience (IT business continuity, disaster recovery and backups); and
  - Information and cyber security.

- 4.4 WAO concluded that the Council recognises the key role its assets have in helping to deliver its priorities but weaknesses in its new Corporate Asset Management Strategy and its delivery undermines its ability to shape the future of its assets.
- 4.5 Paragraph 21 of the WAO report says “It is difficult to see how in its current form, the Council will usefully use the Strategy to shape the way it manages its assets. For example for each of the Council’s asset categories, the Strategy does not set out the gap between its existing asset base and where the Council needs to be and the implications for its assets. Neither does the Strategy include information about the Council’s capital and revenue expenditure on its main asset categories or forecast future expenditure. Including this additional information and analysis would help provide a more comprehensive and holistic consideration of the Council’s assets. We understand the Council intended that this information would be included in individual asset management plans, but these are not yet in place”.
- 4.6 Paragraph 25 of the WAO report says “The Council acknowledges that as a result of the level of savings it now has to achieve, it will have to make some difficult decisions about the level and nature of its services. This will include decisions which relate to some of its major assets, such as its leisure services and schools. We are also aware that the Council is in the process of carrying out a number of other reviews, which could impact upon the Council’s assets. These include libraries, waste, and community centres. As set out in paragraph 11, the Council is also in the process of developing an outline business case to consider whether to join the regional Shared Resource Service for its IT services. We understand the Council is of the view that as a result of these ongoing reviews, it would not be helpful to have a corporate asset management plan and service asset management plans covering those services currently under review. As these reviews are completed, the Council will need to consider if its corporate asset management strategy should be updated to accommodate any asset related issues”.
- 4.7 We have advised WAO that Individual asset management plans are not yet in place for a number of service areas pending reviews as a consequence of more difficult and challenging savings targets.
- 4.8 The WAO also concluded as a result of the findings from a number of reviews over the last 12-18 months that there was a need to carry out a detailed review of the effectiveness of Council’s Business Improvement Board in providing strategic overview and direction for the Council’s key business improvement projects.

## **5. WELL-BEING OF FUTURE GENERATIONS**

- 5.1 This report contributes to the Well-being Goals as set out in Links to Strategy above. It is consistent with four out of the five ways of working as defined within the sustainable development principle in the Act as detailed as follows:-
- Long Term – The Authority’s asset base should be a size that is sustainable and fit for purpose.
  - Prevention – Technological advances can be used to manage demand.
  - Collaboration – Opportunities to collaborate should be considered where appropriate when service changes are determined, where there is a viable business case. IT is a service subject to a proposal to collaborate on a regional basis.
  - Involvement – Proposed service changes should be subject to consultation and engagement. There should be evidence that the feedback has been considered prior to the decision being made. A consultation process would be undertaken in respect of collaboration proposals and asset rationalisation.

## **6. EQUALITIES IMPLICATIONS**

- 6.1 There are no direct equalities implications stemming from this report on any group identified in Section 6 of the Council's Strategic Equality Plan, therefore an impact assessment has not been carried out.

## **7. FINANCIAL IMPLICATIONS**

- 7.1 There are no financial implications that relate directly to this report.

## **8. PERSONNEL IMPLICATIONS**

- 8.1 There are none.

## **9. CONSULTATIONS**

- 9.1 There are no consultations that have not been included in the report.

## **10. RECOMMENDATIONS**

- 10.1 Cabinet are asked to note and endorse the report.

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

- 11.1 To ensure that Cabinet is aware of the review work undertaken by the WAO and the resultant findings, conclusion and proposals for improvement.

Author: Nicole Scammell, Acting Director of Corporate Services & S151 Officer  
Consultees: Corporate Management Team  
Councillor B Jones, Deputy Leader and Cabinet Member for Finance, Performance & Governance  
Councillor L Phipps, Cabinet Member for Homes & Places  
Councillor C Gordon, Cabinet Member for Corporate Services  
Paul Lewis, Acting Head of IT  
Mark Williams, Acting Head of Property  
Gail Williams, Interim Head of Legal Services & Monitoring Officer  
Ros Roberts, Corporate Performance Manager

Appendices:  
Appendix 1 WAO report: Local risk based reviews: Asset Management and Information Management and Technology – Caerphilly County Borough Council



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru  
Auditor General for Wales

# Local risk based reviews: Asset management and Information Management and Technology – **Caerphilly County Borough Council**

Audit year: 2016-17

Date issued: August 2017

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The team who delivered the work comprised Ron Price, Gareth Lewis and Sara-Jane Byrne under the direction of Huw Rees.



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# Summary report

## The Council has a good understanding of its assets and current IT arrangements but lacks a strategic approach to direct their use

- 1 During April and May 2017, as part of our 2016-17 local risk based work at Caerphilly County Borough Council (the Council), we undertook work in the following areas:
  - Information management and technology (IM&T)
    - We carried out an initial digital risk diagnostic to understand the Council's digital services and identify potential digital risks and issues at the Council. This diagnostic was not designed to provide information that could be relied upon for auditing the Council's financial statements. We also used the findings from the risk diagnostic to identify areas where further, more specific IM&T performance work might be needed.
  - Asset management
    - Our asset management review considered the extent to which the Council's asset management arrangements support strategic and effective decision-making and improvement. This review also looked at the Council's progress in addressing the proposals for improvement we made in our asset management review undertaken in 2013.
- 2 The effective development and innovative use of IM&T provides the enabling and supporting foundation for the digital transformation of public sector services in Wales. It is important that councils have proper digital governance arrangements in place and make the best possible use of their available resources, to modernise and transform digital services. This will include, in the future, contributing to the delivery of the Council's well-being objectives.
- 3 In 2013, we reviewed the Council's asset management arrangements and concluded that:
  - Due to a lack of prioritisation and appropriate governance arrangements for managing assets, the Council did not have an appropriate and agreed Asset Management Strategy which clearly set out how its assets would be used to deliver its priorities and support service improvements.
- 4 In 2013, we made the following proposals for improvement that the Council should:
  - 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 contributes to the delivery of 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; and
  - be approved by members.
  - Ensure that the individual service asset management plans are developed as soon as possible and are used to inform the Council's financial planning process.
  - Finalise its current review of property performance data and agree which data should be monitored and reported at an officer and member level.
  - Develop and implement arrangements to monitor the delivery of the strategy.
  - Formalise the role of the Asset Management Group to improve governance and accountability. This should include:
    - reviewing the membership of the group;
    - developing terms of reference to include responsibility for: leading on all corporate asset management issues; and leading on decisions around individual assets; and
    - ensuring that meetings are recorded appropriately.
- 5 Since our asset management review in 2013, the Council updated its Asset Management Strategy, which was approved by Council in November 2016.
- 6 Following our reviews in April and May 2017, we concluded that **the Council has a good understanding of its assets and current IT arrangements but lacks a strategic approach to direct their use.** We came to this conclusion because:
- the Council has a range of information management and technology (IM&T) related policies, plans and processes but lacks an overarching digital strategy to drive its activities; and
  - the Council recognises the key role its assets have in helping to deliver its priorities but weaknesses in its new Corporate Asset Management Strategy and its delivery undermines its ability to shape the future of its assets.
- 7 We have previously stressed to the Council the benefits of having a robust and strategic approach to managing its assets. This included at the Council's Audit Committee in December 2015. We met with the Council's officers in January 2016 together with Grant Thornton to discuss this. We reinforced our view that a robust asset management plan supported by service asset management plans is more vital in a period of austerity to ensure the Council is using its resources efficiently and to help inform its decisions about savings. Therefore, it is disappointing that the Council has not fully addressed our previous asset management related proposals for improvement.
- 8 This is not the first time we have been critical of the Council's lack of a strategic approach to plan and manage its services. In June 2016, we were critical about the Council's review of its leisure services, which had not been underpinned by a clear vision or an integrated sports and leisure strategy that set a clear direction for future leisure provision. In addition, our recent Welsh Housing Quality Standard (WHQS) review has concluded that the majority of tenants' homes remain below

the WHQS due to longstanding inefficient and ineffective programme management and the Council is unlikely to achieve the WHQS by 2020.

- 9 As a result of the findings from our reviews in the past 12-18 months, we are increasingly concerned about the Council's ability to manage large projects and take a strategic and coordinated approach to its services. We have raised similar concerns about the Council's oversight of major programmes previously. The Council introduced its Business Improvement Board in June 2016 to provide strategic overview and direction for its key business improvement projects; leadership and management development; and communication and engagement across the Council to help address this concern. Therefore, as part of our 2017-18 performance audit work, we will carry out a detailed review of the effectiveness of Council's Business Improvement Board in providing strategic overview and direction for the Council's key business improvement projects.

# Detailed report

## The Council has a good understanding of its assets and current IT arrangements but lacks a strategic approach to direct their use

## The Council has a range of information management and technology (IM&T) related policies, plans and processes but lacks an overarching digital strategy to drive its activities

- 10 The Council's strategic vision relating to digital and IM&T is unclear, as it does not have an up to date digital strategy. The Council has a range of IM&T related policies, plans and processes at an operational level. However, because of the lack of an overarching digital/IT strategy, it cannot easily be known if these meet the Council's needs.
- 11 The Council is developing an outline business case to consider whether to join the regional Shared Resource Service (SRS)<sup>1</sup>, and is due to consider the business case in the autumn with a decision expected in December. The Council currently has an interim Head of IT, and has put the development of a strategic IT/digital plan on hold pending the decision on joining the SRS. As part of its business case, we would expect the Council to consider its future IM&T/digital needs as this would influence its decision whether to join the SRS or not. If the Council does join the SRS, it will still retain the ultimate responsibility for ensuring any IM&T/digital arrangements it has in place meets the Council's needs.
- 12 The Council takes part in IT benchmarking comparisons. At the moment, the Council feels well placed in terms of its IM&T resource but acknowledges this may not be sufficient should it advance in digital transformation.
- 13 The Council is taking steps to ensure it can meet the new General Data Protection Regulation (GDPR) in 2018 and Council staff have reported no specific concerns around IM&T resilience or cyber-security. The Council is ISO27001 Information Security Management accredited and retained its Public Services Network (PSN) connection compliance certificate. These accreditations would suggest that the Council has appropriate incident plans and policies in place. However, we have not looked at these in detail.
- 14 The 2017 quarter two 'Sitemorse'<sup>2</sup> (website auditing service) index ranked the Council website 37th in the UK, and the best in Wales. The 'Sitemorse' review also highlighted that not all service users have the means to access the website, and

<sup>1</sup> The Shared Resource Service (SRS) is a collaborative ICT provision in South Wales that provides ICT services to a number of public sector organisations.

<sup>2</sup> Sitemorse is an independent company which undertakes website auditing. [Findings from the Sitemorse INDEX for the Council](#)

accessibility did not score highly, but the performance improved compared to quarter one 2017 and previous years' performance. The Council's website allows for a variety of key online transactions and enquiries.

- 15 We will consider carrying out more specific work, focussing on one or more of the following areas as part of our 2017-18 performance audit programme:
- to explore more fully the Council's approach to digital and IT after it has made a decision about joining the SRS in the autumn;
  - IM&T resilience (IT business continuity, disaster recovery and backups); and
  - Information and cyber security.

### The Council recognises the key role its assets have in helping to deliver its priorities but weaknesses in its new Corporate Asset Management Strategy and its delivery undermines its ability to shape the future of its assets

- 16 As set out in paragraph 4, in our review in 2013, we made a proposal for improvement that the Council should develop a robust Asset Management Strategy for its property and associated infrastructure. The Council agreed its Corporate Asset Management Strategy 2016-2026 (the Strategy) in November 2016.
- 17 The Strategy recognises the key role the Council's assets have in delivering the Council's priorities and sets out a series of principles which will influence the individual strategies and activities that underpin the Strategy. These principles include working with other public bodies to deliver joint asset management solutions. The Strategy also outlines a number of outcomes which will be applied to the management of the Council's assets (compliance, condition, suitability, sufficiency, accessibility and sustainability).
- 18 The Strategy states that it is looking at the long-term (10 years) but Section Two only describes activities for the period from 2013 to 2017. The coverage of these activities is also limited. For example, in setting out the activities under Outcomes 3 (Suitability) and 4 (Sufficiency), the Strategy does not include some of the Council's key services such as leisure, waste and social services. These services are not listed in the Strategy as those where they are existing asset strategies in place. The Strategy refers to ongoing work to develop a strategy for its sports and leisure services but this is not yet in place.
- 19 In October 2016, officers presented the Strategy to Cabinet and the Policy and Resources Scrutiny Committee. The Strategy and the related covering committee reports emphasise that the Strategy provides an overview of planned actions to produce the Council's strategic outcomes and that service delivery strategies should identify the assets required over time. The covering committee reports and Strategy also state that these plans will be reviewed to ensure that they accord with the strategic outcomes. However, in March 2017, officers informed us that the Council has not developed service asset management plans due to the ongoing

period of austerity. This is despite us making a proposal for improvement in our 2013 asset management report that the Council should ensure that the individual service asset management plans are developed as soon as possible and are used to inform the Council's financial planning. The Council did not provide us with any completed service asset management plans as part of our review in 2017.

- 20 We also found that there were some key errors in the Strategy which the Council had not picked up. These included dates for actions which pre-dated the development of the Strategy. The Strategy primarily provides a 'look back' at what had taken place rather than providing a clear, strategic direction for the use of the Council's assets.
- 21 It is difficult to see how in its current form, the Council will usefully use the Strategy to shape the way it manages its assets. For example for each of the Council's asset categories, the Strategy does not set out the gap between its existing asset base and where the Council needs to be and the implications for its assets. Neither does the Strategy include information about the Council's capital and revenue expenditure on its main asset categories or forecast future expenditure. Including this additional information and analysis would help provide a more comprehensive and holistic consideration of the Council's assets. We understand the the Council intended that this information would be included in individual asset management plans, but these are not yet in place.
- 22 The former Head of Property provided a helpful position statement of the Council's assets in his first State of the Estate report in July 2016 to the Council's Cabinet. The report set out the overall performance in relation to the Council's assets and included performance relating to energy efficiency and disability access. In the report, it stated that such a report would be provided annually. At the time of our fieldwork in March/April 2017 the Council had not yet prepared an updated State of the Estate report but the Council has informed us that it is scheduled to be tabled as a 'for information' item for the Policy and Resources Scrutiny Committee meeting on 14 November 2017.
- 23 We understand that the Council feels that it has an effective approach to asset management even though there are weaknesses in its recently agreed Strategy. In recent years, the Council has made changes to its asset base and taken steps to rationalise its assets in order to achieve savings. For example, it has closed the Civic Centre in Pontllanfraith and made changes to its stores at its Tir-y-Birth site. The Council has appointed a preferred bidder for the sale of the Pontllanfaith House site and has continued with its 21st century schools programme. During 2016-17, the Council completed the last Phase of the Y Gwindy Welsh Medium campus and Islwyn High School and work is underway at the Abertysswg and Pontlottyn Primary School.
- 24 As outlined in our governance of significant change report, the Council is aware that it has not yet had to make some of the relatively significant or controversial decisions on service changes that other councils have made because it has had a prudent approach to its finances in the past. Overall, the Council has managed to

protect most front line services only making small changes to services, such as reducing library and customer centre opening hours.

- 25 However, the Council acknowledges that as a result of the level of savings it now has to achieve, it will have to make some difficult decisions about the level and nature of its services. This will include decisions which relate to some of its major assets, such as its leisure services and schools. We are also aware that the Council is in the process of carrying out a number of other reviews, which could impact upon the Council's assets. These include libraries, waste, and community centres. As set out in paragraph 11, the Council is also in the process of developing an outline business case to consider whether to join the regional Shared Resource Service for its IT services. We understand the Council is of the view that as a result of these ongoing reviews, it would not be helpful to have a corporate asset management plan and service asset management plans covering those services currently under review. As these reviews are completed, the Council will need to consider if its corporate asset management strategy should be updated to accommodate any asset related issues.
- 26 However, many of these reviews have been ongoing for a while. There is a risk that the Council is considering these reviews and assets in isolation rather than taking a strategic overview of the current and future use of its assets and how these relate to the current and future needs of its services in accordance with the Well-being of Future Generations (Wales) Act 2015 (the Act). Part 1 of the Shared Purpose: Shared Future statutory guidance on the Act outlines that applying the requirements of the Act to a core sets of activities, such as asset management, is likely to most effectively secure the type of change required.





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## AUDIT COMMITTEE – 30TH JANUARY 2018

**SUBJECT: WALES AUDIT OFFICE REVIEW OF THE WHQS DELIVERY PROGRAMME**

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

- 
- 1.1 The report, which was considered by Caerphilly Homes Task Group on 2nd November 2017 and Cabinet on 1st November 2017, presented the recommendations resulting from the Wales Audit Office (WAO) review of the Welsh Housing Quality Standard (WHQS) delivery programme together with officers' comments, following approval by Cabinet.
  - 1.2 During March and April 2017, as part of the WAO performance audit plan, the WAO undertook a review of the Council's arrangements to deliver the WHQS by 2020. The review concluded that the "majority of tenants homes remain below the WHQ Standard due to longstanding inefficient and ineffective programme management and the Council is unlikely to achieve the standard by 2020". Whilst Officers accept the recommendations within the WAO report, they do not agree with the overall conclusions made, as it does not reflect the current position of the programme and evidence to justify this view is provided throughout the report and specifically addressed within the Conclusion section.
  - 1.3 The Caerphilly Homes Task Group raised a number of concerns from the report, which included the reference to Savill's stock condition survey, viability of the programme, programme management and the Procurement Strategy. Assurances were given that Savill's stock condition survey is no longer being utilised, as a result of the implementation of a more accurate costing system based on surveys and works undertaken and further reassurances were provided that the programme remains financially viable and that a more detailed overarching programme has been developed, within the existing timescales. The Task Group were assured that Officers assured that in order to assist with the project management of such a major investment programme, the use of resources is being maximised through improved integration within Caerphilly Homes following changes in the management structure last year and by also utilising the services of other departments within the Council, including Building Consultancy, Grounds Maintenance, Highways Operations Group and Network Contracting Services. In addition, it was noted that a Dynamic Purchasing System has also been implemented, which should reduce the implications for contractors and ensure more reliable works.
  - 1.4 The report outlined views expressed by tenants and tenant satisfaction and discussion ensued around concerns raised to tenant representatives and Councillors, during the works. However, the Task Group were asked to note that given the time constraints, interviews had only been undertaken with 6 tenants that sit on the Caerphilly Homes Task Group, where concerns were expressed about the quality of work undertaken. It was felt that, at the meeting of Cabinet, this was not a fair representation of the number of tenants throughout the borough, and further research should have been undertaken. Tenant satisfaction surveys are conducted following the completion of works, in which 89% of tenants were very satisfied or satisfied, 5% neither satisfied nor dissatisfied and 6% dissatisfied or very dissatisfied. Therefore, it was noted that the data within WAO report could not be seen as reflecting all views.

1.5 It was concluded that the WAO recommendations have been accepted and it was agreed that further improvements to the programme were needed. A number of the identified improvements are being delivered in accordance with the action plan as appended to the report and progress would be monitored on a monthly basis by the Caerphilly Homes Project Board. It was accepted that the recommendations were following the review during March/April 2017, however, at that point in time significant changes were already underway. As such, Officers do not agree with the overall conclusion drawn, as it is felt that this statement does not offer a fair assessment of the position of the programme. In addition, it was accepted that completion of the programme by 2020 will be challenging, based on the current position of the programme, it was noted that 75% of the internal works and 40% of the external works are set to be completed by March 2018. In addition, by March 2019 it is projected that 94% of internal works and 80% of external works are set to be completed. In relation to internal works, assurances were offered that, should there be further slippage in the programme, there will be sufficient capacity at the end of the programme to accommodate this. Officers consider that the measures put in place have resulted in a significantly increased and focused rate of completions and are confident that the programme will be completed by 2020.

1.6 The Audit Committee are asked to note the report.

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Ext. 4210

Appendices:  
Appendix 1 Wales Audit Office Review - WHQS Programme



## CABINET – 1ST NOVEMBER 2017

**SUBJECT: WALES AUDIT OFFICE REVIEW OF THE WHQS DELIVERY PROGRAMME**

**REPORT BY: CORPORATE DIRECTOR COMMUNITIES**

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### 1. PURPOSE OF REPORT

- 1.1 To present to Members the recommendations resulting from the Wales Audit Office (WAO) review of the Welsh Housing Quality Standard (WHQS) delivery programme together with officers' comments and to seek approval on the actions proposed in response to the findings resulting from the report.

### 2. SUMMARY

- 2.1 During March and April 2017, as part of the WAO performance audit plan, the WAO undertook a review of the Council's arrangements to deliver the WHQS by 2020.
- 2.2 At the time of the review, the WAO concluded that the *"majority of tenants homes remain below the WHQ Standard due to longstanding inefficient and ineffective programme management and the Council is unlikely to achieve the standard by 2020"*.
- 2.3 Whilst officers accept the recommendations within the WAO report (Appendix 1), they do not agree with the overall conclusions made, as it does not reflect the current position of the programme and evidence to justify this view is provided throughout the report and specifically addressed within the Conclusion section.
- 2.4 This report sets out the individual recommendations resulting from the review together with officers' comments on how these recommendations have or will be addressed.

### 3. LINKS TO STRATEGY

- 3.1 This report links to the Single Integrated Plan 2013-2017 priority to "improve standards of housing and communities giving appropriate access to services across the county borough".
- 3.2 Improving Lives and Communities: Homes in Wales 2010 which sets out the national context on meeting housing need, homelessness and housing related support services.
- 3.3 The National Housing Strategy 'better homes for people in Wales' sets out the Welsh Government's vision 'We want everyone in Wales to have the opportunity to live in good quality, affordable housing'.
- 3.4 Corporate Plan 2016/17 sets out the Corporate Priorities which includes 'invest in our council homes and their communities to transform lives'.

3.5 This report links most closely to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2016:

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities

#### 4. THE REPORT

4.1 As part of the 2016/17 performance audit plan, the WAO, during March and April 2017, undertook a review of the Council's arrangements to deliver the WHQS by 2020. WAO sought to answer the question "*does the Council have effective arrangements in place to enable it to meet the WHQS by 2020?*".

4.2 The WAO Review resulted in a number of recommendations which are set out below, together with comments from officers in response:-

##### **WAO Recommendations**

4.3 *R1: By September 2017, develop a comprehensive, overarching, financial and operational programme, setting out how the Council will achieve WHQS by 2020. This programme should:-*

- i) Establish the full scope of investment needed in the Council's housing stock based on accurate, comprehensive and up-to-date stock condition information.*
- ii) Set out how the Council, by March 2018 will:-*
  - (a) Review its procurement arrangements to ensure value for money.*
  - (b) Provide clear and transparent information to members and tenants about the current position of the programme and a commitment to stakeholders with accurate projected completion dates, and*
  - (c) Secure the resources needed to deliver the programme by 2020.*
- iii) contain clear and measurable milestones and relevant performance measures for delivering the programme up to 2020*
- iv) set out the programme management, governance and accountability responsibilities and arrangements so that urgent remedial action can be taken if further slippage occurs and those tasked with delivering the programme can be held to account at appropriate decision making levels*

4.4 *R2: Assure itself that it is meeting its statutory landlord responsibilities by ensuring that:*

- (i) All properties have a valid gas safety certificate in place, or are having the Council's non-compliance arrangements applied to them fully*
- (ii) Arrangements for undertaking asbestos surveys and recording the results of these surveys are robust.*

4.5 *R3: Ensure it has sufficient project management capacity to deliver the Council's WHQS programme effectively by 20210.*

## Officers' Comments/Actions

- 4.6 R1 - By September 2017, develop a comprehensive, overarching, financial and operational programme setting out how the Council will achieve WHQS by 2020.

### Response:

- 4.7 An exercise to establish the full scope of investment needed to meet WHQS by 2020, based on accurate and comprehensive information had already commenced at the time of the audit review and has recently been completed, which confirms that the housing business plan is financially viable and that the extent of work remains deliverable. The information has been used to compile a more detailed overarching programme but the timescales laid out in our existing programme have not changed. A holistic strategy, which captures all key information, policies, procedures and performance data relevant to the WHQS programme, has been developed and the data within it will initially be based upon current assumptions. In line with the recommendations relating to March 2018, this strategy will be further informed and refined through improvements made to Keystone (the central IT database), which will be used to provide robust data to provide a new detailed programme from 2018/19, which will be communicated to all stakeholders.
- 4.8 R1 (i) By September 2017 establish the full scope of investment, based on accurate comprehensive and up to date stock condition information:-
- 4.9 The Council's current WHQS programme was originally established in 2012 and adopted a community based approach whereby internal and external works are undertaken concurrently in different communities. The aim is for all housing communities to benefit from the WHQS works at an earlier stage in the programme rather than focussing on completing all WHQS works in one community at a time. To date, 85% of properties across the county borough have received either internal or external works.
- 4.10 The programme is based on the stock condition survey and estimated component costs provided by Savill's Consultants following a 15% survey of the housing stock. The information was used to inform the housing business plan and the ballot process by determining the financial viability of Castell Mynydd (the proposed delivery company if transfer took place) and CCBC delivering the programme within the timescales stipulated by WG.
- 4.11 Consideration was given to commissioning a new stock condition survey following the outcome of the ballot, but this was not progressed due to the need to procure such a service, the delays involved and the cost, which was estimated to be over £1m. Further consideration was made in 2015 but again it was decided that this would not be cost effective at the time.
- 4.12 More up-to-date condition information is in the process of being collated by utilising our own in-house surveyors to not only obtain condition information, but to also specify works for contract packages and tendering purposes. (To date approximately 80% of internal surveys have been completed and 50% of external).
- 4.13 The investment programme for 2017/18 has already been compiled, agreed and communicated to members, tenants and other stakeholders and is in the process of being delivered. Having recently completed a full review of our costs and projecting these costs forward for the delivery of the programme up to 2020, it has been confirmed that the project remains financially viable and that there is therefore no requirement to revise the programme for cost or condition reasons at this stage. However, since the WAO review was undertaken, the contractor responsible for delivering the internal works in the lower Rhymney Valley area is no longer trading. Officers have implemented contingency arrangements to minimise the impact of this unforeseen event and this will result in the in house workforce undertaking the majority of work, supported by external contractors as and when required. Again, despite this unfortunate event, due to mitigation measures available to us and the fact there has been contingency built into the programme, the delivery of the internal works by 2020 remains achievable.

- 4.14 The current programme is reviewed on an annual basis to account for any slippage, which can be as a result of a variety of issues including contractor performance, weather, unforeseen work, access, refusals, tender returns, etc. This review will need to continue on an annual basis, as some of these issues are beyond our control, but due to improvements in surveying, work packages can be prepared at an earlier stage in the process which results in better planning and programme management. The review also takes into consideration improved performance. This has occurred where the in-house service provider has completed more properties than planned during a financial year and work has to be pulled forward from future years.
- 4.15 Surveys for both internal and external works are now being undertaken for the 2018/19 financial year, and this information, together with actual costs based on recent tender returns, has been collated to calculate detailed average property costs in order to provide a more accurate investment programme up to 2020. These revised costs have resulted in a projected increase in expenditure of approximately £10M, with overall costs remaining within our borrowing headroom. Therefore the programme is confirmed as still being financially viable. This information will be used to refine our 2018/19 programme and beyond. CCBC have therefore met the WAO stated deadline of September 2017 and developed a comprehensive, overarching, financial and operational programme to demonstrate how the Council will deliver WHQS by 2020 (Appendix 2).
- 4.16 *R1(ii)(a) By March 2018, review its procurement arrangements to ensure value for money:-*
- 4.17 The WHQS programme was seen from the outset as an opportunity to link housing and regeneration outcomes. The procurement strategy and process being a facilitator to bring social and economic regeneration through a dedicated supply chain.
- 4.18 The Council had a desire to reduce its carbon footprint and embed sustainable alternatives whilst providing job opportunities. Thus the procurement strategy had clear objectives and the overarching evaluation criteria for all procurements set at Quality 60% and Price 40%.
- 4.19 Furthermore the procurement strategy was developed to meet Welsh Government's improvements and efficiency targets which included sustainability, waste reduction, carbon reduction and community benefits (included employment and training opportunities).
- 4.20 All procurements meet the requirements of the Council's standing orders for contracts, financial regulations and the wider UK Public Contract Regulations 2015. This in itself demonstrates open, fair and transparent process and as a result "Best Value" achieved against a pre-established evaluation criteria.
- 4.21 Clearly there are a number of factors to consider when administering individual procurements in order to effectively manage the supply chain and financial risk in order to deliver against the desired outcomes. E.g. the anchor contract, supply partner for all goods and materials is a long term relationship for ten (10) years. The contract has been established utilizing the NEC 3 term service contract. This reflects the Councils wish to share the financial risk of delivery of services with the supply partner.
- 4.22 This allows the Council to work with the nominated contractor to ensure all parties meet the requirements of "best value" through prices paid, delivery of social value through community benefits such as job opportunities and community funds.
- 4.23 The wider supply chain benefits are significant as over the past four (4) years the Council and supply partner have worked to establish and develop the local supply chain in and around the Caerphilly borough.
- 4.24 Internal works contracts are predicated on a fixed contract basis using the JCT form of contract and national schedule of rates (SoRs). The SoRs are reviewed annually on 1st August and facilitates price adjustments in line with national market trends.



- 4.25 External works have been developed via various procurement routes in accordance with legislation and in order to manage the supply base, ensure capacity and encourage and grow local contractors. The external works programme is managed through a series of arrangements which include the use of the small lots exemption, frameworks and more recently a Dynamic Purchasing System (DPS). The flexibility in these arrangements allows for pricing per contract opportunity and in the case of the DPS different pricing strategies depending on the specific requirement.
- 4.26 All contracts/ arrangements have key performance indicators which are currently measured by the WHQS team.
- 4.27 Members will also be aware of the agreement, at the outset of this investment programme that approximately 50% of the internal works would be carried out by the in-house workforce. Whilst, as stated by the WAO, the in-house workforce have not been subject to any competitive tendering process, value for money is considered to be provided for the following reasons and is not purely considered on cost:-
1. Not claims focused/not trading for profit.
  2. High quality service with focus on meeting tenants needs
  3. Higher levels of customer satisfaction than external contractors.
  4. Reduced number of complaints, compared with contractors.
  5. Employment of local people and sustain existing jobs.
  6. No issues with contractual challenges or claims.
  7. Directly employed with reduced use of sub-contractors.
  8. Improved performance above external contractors.
  9. Reduced requirement for supervision.
  10. Preferred choice by our tenants.
  11. More direct control with in-house team.
  12. Availability of benchmarking data.
  13. Locally available workforce in the event of contractor default.
- 4.28 A benchmarking exercise comparing in-house costs against those of external contractors was undertaken in 2014 and identified that costs based upon typical elements of work were approximately 20% higher for the in-house team. A more recent exercise undertaken internally has also confirmed that the in-house workforce costs are approximately 20% higher than external contractors undertaking similar work. However there are additional supervisory and management costs associated with project managing external contractors which are already accounted for within the in-house costs. With the demise of Compulsory Competitive Tendering, there are added costs associated with in-house services which also need to be considered. These include superannuation, living wage, leave, sickness, overheads linked to support service costs and the end of bonus schemes or price work payments arrangements. However, value for money is not based upon costs alone and qualitative factors, such as those stated in 4.22 above should also be considered. In view of all of these factors, as well as the positive feedback received from our tenants, along with the excellent performance being achieved by the in-house team, we consider that value for money is being provided.

- 4.29 Additionally, an exercise to outsource the WHQS work to our sheltered housing was developed and tenders invited. The cost of providing this service was considered excessive and a decision was made not to progress with the process in favour of using an alternative business model that focused upon the use of the in-house team. This will result in financial savings over the option to outsource this area of work and when tenants were consulted, they were very supportive of the in-house team and indicated a preference for this approach.
- 4.30 It is however accepted that on occasions very few tenders were received for the north and east areas. As part of the review to ensure value for money, tenders are evaluated and if submitted costs are considered to be high, then contracts are considered for re-tendering. However costs will depend on the construction market, with increased demand in this sector leading to increased costs, so value for money must be considered based on market conditions at the time.

R1(ii)(b) By March 2018, provide clear and transparent information to members and tenants about the current position of the programme and a commitment to stakeholders with accurate projected completion dates;

R1(ii)(c) By March 2018 to secure the resources needed to deliver the programme by 2020;

R1(iii) Contain clear and measurable milestones and relevant performance measures for delivering the programme up to 2020 and

R1(iv) set out the programme management, governance and accountability responsibilities and arrangements so that urgent remedial action can be taken if further slippage occurs and those tasked with delivering the programme can be held to account at appropriate decision making levels

- 4.31 Officers have considered the information provided to members and tenants and accept the manner in which information is presented can be improved. As part of the exercise, officers have reviewed information contained within the programme and have already made amendments to ensure it is clear, accurate and meaningful for all stakeholders.
- 4.32 Performance measures will be reassessed based upon improved surveying information and procurement activity and this will be communicated to all stakeholders in a more clear and meaningful way. The revised performance information will be shared and consulted with tenant representatives of the Repairs and Improvements Group to gain feedback on the level of information being presented and to ascertain if it is easily understood and measures what actually matters (draft proposals are attached at Appendix 3). Up to date performance information is appended to this report (Appendix 4) which provides information on the overall programme position and demonstrates that we remain on target to deliver the programme by 2020.
- 4.33 There are already significant programme management, governance and accountability responsibilities defined, through the WHQS Board, the Caerphilly Homes Task Group (CHTG), the Repairs and Improvement Group (R&I), Corporate Management Team (CMT), Policy & Resources Scrutiny Committee (P&R) and Cabinet. The terms of reference of each of these groups will be reviewed to ensure that the respective groups are clear of their remit and purpose as well as ensuring that any urgent decision making required can be taken at the appropriate level.
- 4.34 Information contained within reports has also been reviewed to ensure they are presented in a clear and transparent way and contain all relevant details so that the current position of the overall programme is easily communicated to all stakeholders.
- 4.35 A resource plan was already being progressed and implemented by officers prior to the WAO Review and significant progress has already been made in this regard. This includes the recruitment of internal resources as well as increasing the availability of external resources.
- 4.36 In relation to internal resources a business case has been approved by Corporate Management Team (CMT) to appoint additional internal resources following the decision to undertake the work to our sheltered housing schemes by utilising our in-house workforce.

This includes the appointments of an additional Project Manager, Surveyors, Clerk of Works, Tenant Liaison Officer and trade operatives.

- 4.37 A 'blanket' business case to appoint additional staff and operational resources had been approved prior to the WAO Review and is being utilised to recruit additional resources as and when required. In relation to the appointment of additional contractors, the DPS arrangement was being implemented during the review and is now fully operational and working successfully.
- 4.38 As mentioned previously, a new DPS has been put in place not just to provide external contractor support to deliver the external works in the lower Rhymney Valley, but to also act as a contingency to provide support for any internal or external works throughout the county borough. This arrangement has been operational since April, 2017 and has already proved to be very successful with 11 contracts having been awarded.
- 4.39 Unfortunately since the WAO review the contractor delivering the internal works in the Lower Rhymney Valley area has ceased trading and alternative arrangements have been put in place. The in-house workforce will now be responsible for the majority of work in this area, but they will also be supported by external contractors with smaller packages of work being issued via the DPS. This demonstrates the flexibility in the programme offered through the various contractual arrangements and the in-house workforce that is in place.

## **Recommendation 2**

- 4.40 Assure itself that it is meeting its statutory landlord responsibilities by ensuring that:-
- *All properties have a valid gas safety certificate in place, or are having the Council's non-compliance arrangements applied to them fully and,*
  - *Arrangements for undertaking asbestos surveys and recording the results of these surveys, is robust.*

## **Officers' Comments**

- 4.36 At the time of the WAO review 98% of the Council's properties had a valid gas safety certificate, which equated to 221 tenanted properties not having a current gas certificate. All 221 properties were being progressed via the "no access" process. The reason for this shortfall is due to access issues and whilst the Council had access procedures in place which are being utilised, it is accepted that these procedures were prolonged and could take a number of months to either gain access or to take the case to court to obtain a possession order.
- 4.41 In order to improve performance with the aim of achieving full compliance, the no access procedure has already been reviewed and now includes the introduction of charges to tenants if they fail to provide access when an appointment has been made. Continued "no access" will then result in a "Notice of Seeking Possession" being issued to the tenant. If access is still not provided, then arrangements will be made to force entry, although this will only be used as a last resort. Following the implementation of the revised no access procedure, performance has increased to 99% (81 properties outstanding) and 20 forced entries have been undertaken.
- 4.42 In relation to asbestos surveys, officers have undertaken a full review of the process to ensure that accurate data is being recorded in a timely manner and the information made available to all stakeholders via a central IT database. To support this area of work the appointment of a dedicated additional technical officer is being progressed.
- 4.43 This review will also aim to improve the integration of services and information sharing to avoid any duplication and ineffective use of resources between the WHQS delivery team and the Housing Repair Operations team. It should be noted that it is already a requirement that contractors cannot commence work on any property unless they are in receipt of an appropriate asbestos survey.

### Recommendation 3

- 4.44 Ensure it has sufficient project management capacity to deliver the Council's WHQS programme effectively by 2020.

#### Officers' Comments

- 4.45 In order to assist with the project management of such a major investment programme, the use of resources is being maximised through improved integration within Caerphilly Homes following changes in the management structure last year and by also utilising the services of other departments within the Council, including Building Consultancy, Grounds Maintenance, Highways Operations Group and Network Contracting Services.
- 4.46 As mentioned above, a business case has previously been approved which enables officers to proceed with the recruitment of additional resources without delay, either directly or via a recruitment agency. This allows resources to be brought into the programme as and when required to meet contractual demands, being mindful that post 2020, it is likely that resource levels will need to reduce.
- 4.47 The WHQS programme is overseen by the Corporate Director Communities with the Chief Housing Officer as the lead Head of Service, who is supported by a WHQS Programme Manager. This management structure is supported by a multi-disciplined WHQS and Caerphilly Homes staff structure. In order to maximise the use of skills and capacity across both teams, a restructure is already being developed with the aim of ensuring that sufficient capacity is in place to deliver the WHQS programme by 2020 and this will be further informed by the review of our systems.

### 5. CONCLUSIONS

- 5.1 The WAO have summarised their opinion of the Council's approach to delivering WHQS as:
- "The majority of tenants' homes remain below the WHQS due to longstanding, inefficient and ineffective programme management and the Council is unlikely to achieve the standard by 2020."*
- 5.2 Officers accept further improvements need to be made and agree with the recommendations set out by WAO. These identified improvements are being delivered in accordance with the action plan detailed in Appendix 5. It is accepted that the recommendations were following the review during March/April 2017, however at that point in time significant changes were already in the process of being made and this is demonstrated within the action plan with many tasks already completed.
- 5.3 Officers, therefore, do not agree with the overall conclusion drawn as it is felt that this statement does not offer a fair assessment of the current position of the programme. The following information is offered to support this view:

#### **"Inefficient"**

- i) The "internal/external" component approach to delivering the programme was agreed as the preferred approach following full consultation and agreement with tenants, CHTG, Policy & Resources Scrutiny Committee, Cabinet and Full Council. Furthermore, this approach is used routinely by other registered social landlords and local housing authorities and WG support this approach as a cost effective approach to delivery. Furthermore on the insistence of the Leader internal and external completions will continue to be reported separately as this has proved invaluable in pinpointing weekly instances of fluctuations in contractors' performance.

- ii) The WAO highlights that only 2.5% of tenants' homes fully met the WHQS standard. The internal/external approach taken to date has resulted with 65% (7,033) of internal works completed and 24% (2,602) external works completed. On the basis of work undertaken to date 45% of the programme has been completed. It is expected that as the number of external and internal completed works align the number of properties which fully meet the standard will increase significantly, with all properties programmed for completion by 2020.
- iii) We are able to demonstrate that the programme is providing value for money. Value for money is not measured through cost alone, tenant satisfaction rates have remained at 90% throughout the duration of the programme to date. Staff are fully committed to programme delivery. The Council's Caerphilly Homes team was awarded UK wide recognition in 2016, as "Best Housing Team" by the Association of Public Service Excellence (APSE).

**"Ineffective"**

- (iv) Whilst a full survey of the properties was not undertaken at the beginning of the programme, a sample survey was undertaken and this has since been supported with an individual property detailed survey, which is used to inform the works required, programming and financial profiling. By March 2018, 90% of tenant properties would have been surveyed and 70% had been completed at the time of the review. This completed data has been used to further improve the cost/budget plan that was originally provided from the sample survey, and using this accurate data, we remain still within the overall financial envelope for the overall programme, whilst acknowledging this has increased our projected financial profile by £10M. The programme therefore remains financially viable.
- (v) Tenant satisfaction survey results show for internal works for the whole contract to date, 89% of tenants were very satisfied or satisfied, 5% neither satisfied nor dissatisfied and 6% dissatisfied or very dissatisfied.
- (vi) The work to date has transformed people's lives by not only transforming their homes, but by also ensuring that the improvements meet the individual needs of the household. This has resulted in significant adaptations being undertaken to properties, including some work being carried out to the Royal National Institute of the Blind (R.N.I.B.) standard. Insulation and new heating work has also assisted in addressing fuel poverty, and considerable "community benefits" have also been delivered.

**"Unlikely to achieve WHQS by 2020"**

- (vii) Based on our current position and anticipated projections, 75% of internal works are expected to be completed by March 2018 and 40% of our external works. By March 2019, 94% of internal works are expected to be completed and 80% of external works. In relation to internal works specifically there are contingency arrangements in place to allow cessation of contractor involvement with remaining work available during 2019 for the in house workforce. There is, therefore, a plan and resources in place to complete the programme by 2020.
- vii) Whilst we accept that completion of the programme by 2020 is challenging, officers consider that the measures put in place has resulted in a significantly increased and focused rate of completions and officers are confident that the programme will be completed by 2020.

## **6. WELL-BEING OF FUTURE GENERATIONS**

- 6.1 The report outlines the contribution made towards the Well-being Goals as set out in the Links to Strategy section above. It is consistent with the five ways of working as defined within the sustainable development principle in the Act in that our processes have been developed in collaboration with Welsh Government and the local authority's housing partners, taking a long term approach to the development needs of the county borough. The programme itself assists the prevention agenda being delivered by our Homelessness Team and the affordable housing programme delivery plan integrates the work of the local authority alongside the work of the Housing Associations who themselves have similar aims.

## **7. EQUALITIES IMPLICATIONS**

- 7.1 This report is for information purposes so the Council's Equalities Impact Assessment process does not need to be applied.

## **8. FINANCIAL IMPLICATIONS**

- 8.1 There are no financial implications as a result of this report.

## **9. PERSONNEL IMPLICATIONS**

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

## **10. CONSULTATIONS**

- 10.1 The report reflects any views of the consultees.

## **11. RECOMMENDATIONS**

- 11.1 Cabinet is asked to:-
- 11.2 Consider and comment upon the content of the WAO report.
- 11.3 Note and approve the officers' responses to the WAO proposals for improvement.

## **12. REASONS FOR THE RECOMMENDATIONS**

- 12.1 To ensure that Cabinet is aware of the review work undertaken by the WAO and the resultant findings, conclusion and proposals for improvement.

## **13 STATUTORY POWER**

- 13.1 Local Government Acts 1972 and 2003.

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Appendices:

Appendix 1 – Wales Audit Office Review of the WHQS Delivery Programme June 2017  
Appendix 2 – CCBC WHQS Programme  
Appendix 3 – WHQS Scorecard Draft  
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Appendix 5 – CCBC WHQS Action Plan

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# Welsh Housing Quality Standard – **Caerphilly County Borough Council**

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The team who delivered the work comprised Sara-Jane Byrne, Allison Rees, Ron Price, Nick Selwyn and Non Jenkins under the direction of Huw Rees.

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# Summary report

## The majority of tenants' homes remain below the Welsh Housing Quality Standard (WHQS) due to longstanding inefficient and ineffective programme management and the Council is unlikely to achieve the Standard by 2020

- 1 In 2001, Welsh Government set out its long-term vision for housing in Wales entitled Better Homes for People in Wales. The Welsh Housing Quality Standard (WHQS) is the Welsh Government standard of housing quality. The WHQS was first introduced in 2002 and aims to ensure that all dwellings are of good quality and suitable for the needs of existing and future residents. The Welsh Government set a target for all social landlords to improve their housing stock to meet the WHQS as soon as possible, but in any event by 2020.
- 2 To achieve the standard, all social landlords are expected to:
  - have up-to-date information on the condition of their stock gathered via a rolling programme of stock condition surveys; and
  - work to a comprehensive strategy for planned maintenance and improvement based on this information and taking into account the views and aspirations of its tenants, with the aim of keeping all homes in compliance, as far as practicable, with the standard.
- 3 The WHQS measures 42 individual elements within the following seven categories:
  - In a good state of repair
  - Safe and secure
  - Adequately heated, fuel efficient and well insulated
  - Contain up-to-date kitchens and bathrooms
  - Well managed (for rented housing)
  - Located in attractive and safe environments
  - As far as possible suit the specific requirements of the household (eg specific disabilities)
- 4 In 2012, Caerphilly County Borough Council's (the Council) tenants voted to keep the Council as their housing landlord. The Council was required by the Welsh Government, therefore, to ensure its housing stock met the WHQS by 2020.
- 5 During March and April 2017, as part of our 2016-17 performance audit plan, we undertook a review of the Council's arrangements to deliver the WHQS by 2020. We sought to answer the question: does the Council have effective arrangements in place to enable it to meet the WHQS by 2020?
- 6 We concluded that **the majority of tenants' homes remain below the Welsh Housing Quality Standard (WHQS) due to longstanding inefficient and**

**ineffective programme management and the Council is unlikely to achieve the Standard by 2020.** We came to this conclusion because:

- the majority of tenants' homes remain below the WHQS and the Council is making insufficient progress to achieve the Standard by 2020;
- there are weaknesses in the Council's arrangements to meet its statutory landlord responsibilities;
- the Council has not met all the minimum requirements of the Welsh Government's WHQS policy because it lacks a comprehensive programme that sets out to stakeholders how it will meet the Standard by 2020;
- the Council does not have adequate and up-to-date stock condition information to enable it to shape its housing investment programme;
- the Council has a range of mechanisms to engage with tenants about WHQS but these are ineffective and are not being used to shape planning and drive performance;
- the Council is unable to ensure that it is achieving value for money in delivering its WHQS works; and
- arrangements to oversee, challenge, monitor and scrutinise the progress of the WHQS programme are weak and fail to provide sufficient oversight of the totality of the programme.

## Recommendations

- 7 To assist the Council in making the required improvement we have set out some recommendations in the table below. The Council is required by the Local Government Measure to prepare a statement of any action that it proposes to take as a result of this report, and its proposed timetable for taking that action. This must be prepared within 30 days of receipt of this report.

Exhibit 1: Recommendations on action to achieve the WHQS by 2020

Recommendations	
	<p><b>The Council should take urgent action to achieve WHQS by 2020. It should:</b></p>
R1	<p>By September 2017, develop a comprehensive, overarching, financial and operational programme setting out how the Council will achieve WHQS by 2020. This programme should:</p> <ul style="list-style-type: none"><li>• establish the full scope of investment needed in the Council's housing stock based on accurate, comprehensive and up-to-date stock condition information;</li><li>• set out how the Council, by March 2018, will:<ul style="list-style-type: none"><li>– review its procurement arrangements to ensure value for money;</li><li>– provide clear and transparent information to members and tenants about the current position of the programme and a commitment to stakeholders with accurate projected completion dates; and</li><li>– secure the resources needed to deliver the programme by 2020.</li></ul></li><li>• contain clear and measurable milestones and relevant performance measures for delivering the programme up to 2020; and</li><li>• set out the programme management, governance and accountability responsibilities and arrangements so that urgent remedial action can be taken if further slippage occurs and those tasked with delivering the programme can be held to account at appropriate decision making levels.</li></ul>
R2	<p>Assure itself that it is meeting its statutory landlord responsibilities by ensuring that:</p> <ul style="list-style-type: none"><li>• all properties have a valid gas safety certificate in place, or are having the Council's non-compliance arrangements applied to them fully; and</li><li>• arrangements for undertaking asbestos surveys and recording the results of these surveys are robust.</li></ul>
R3	<p>Ensure it has sufficient project management capacity to deliver the Council's WHQS programme effectively by 2020.</p>

# Detailed report

## The majority of tenants' homes remain below the WHQS and the Council is making insufficient progress to achieve the Standard by 2020

- 8 In line with the approach agreed by the Caerphilly Homes Task Group in September 2012, the Council adopted a community based approach whereby internal and external works are undertaken concurrently in different communities. The aim is for all housing communities to benefit from the WHQS works rather than focusing on completing all WHQS works in one community at a time. The work is split between the Council's in-house work force and contractors and, with the exception of sheltered housing, there are separate sequences for internal and external works.
- 9 In February 2017, the Council reported to its Policy and Resources Scrutiny Committee that as at December 2016, it had completed the internal works on 1,567 houses against an annual target of 1,692 (93%). The Council also reported that it had completed external works on 584 houses against an annual target of 1,992 (28%). For both internal and external works, this is an improvement on its 2015-16 end-of-year performance when the Council completed internal works to 1415 properties and external works to 203 properties.
- 10 The Council acknowledged that there was a slight underachievement in its 2016-17 quarter three performance for completing internal works and that external works completions were lagging well behind target.
- 11 Therefore, it is evident that the Council's approach has not been implemented as intended and internal works are being completed prior to external works in most cases. Interviewees informed us that this approach has posed some issues for the Council. For instance, we were informed of examples where contractors were arriving at properties to install kitchens but were unable to do this due to problems with damp. The Council informs us that this only relates to approximately 110 houses but the Council has not yet completed its surveys to fully understand the extent of external works required.
- 12 The Council tells us that as at May 2017, it has completed the internal works on 5,500 properties (50%) and external works on 1,300 properties (12%). However, the Council has not reported publicly this cumulative performance for internal and external completions since the start of the programme. The Council has not yet reported its 2016-17 end-of-year performance. The Council must complete both the internal and external works to meet the WHQS.
- 13 In our national report on progress in delivering the WHQS, published in January 2012, we reported that the Council had estimated that 10% of its housing stock would meet the WHQS by 31 March 2013, with 20% by 31 March 2017 and 100% compliance by 31 March 2020.

- 14 However, the Council did not start the WHQS works on its properties until 2015. As at March 2016, after the WHQS programme had been running for two years, the Council declared to Statistics for Wales<sup>1</sup> that only 252 out of its 10,852 properties (2.53%) were fully compliant with WHQS, meaning that 97% of properties were not yet up to the required standard.
- 15 **Exhibit 2** below also shows that the Council's performance compares poorly with other Welsh Councils in meeting the WHQS.

**Exhibit 2: Welsh Housing Stock owning councils' WHQS comparative performance as at 31 March 2016**

The following table illustrates the comparative situation as at 31 March 2016 for Welsh Housing stock owning Councils<sup>2</sup>.

<b>Council</b>	<b>Housing stock at 31 March 2016</b>	<b>Fully WHQS compliant as at 31 March 2016</b>	<b>Compliant stock subject to acceptable fails as at 31 March 2016</b>	<b>Non-compliant stock at 31 March 2016</b>	<b>Percentage of compliant stock at 31 March 2016</b>
<b>Caerphilly</b>	10,852	252	22	10,578	2.53
<b>Isle of Anglesey</b>	3,780	2,461	1,319	0	100
<b>Denbighshire</b>	3,411	3,286	125	0	100
<b>Flintshire</b>	7,176	24	0	7,152	0.34
<b>Wrexham</b>	11,226	2,170	534	8,522	24.1
<b>Powys</b>	5,348	4,690	0	658	87.7
<b>Pembrokeshire</b>	5,659	4,986	673	0	100
<b>Carmarthenshire</b>	9,003	8,014	989	0	100
<b>Swansea</b>	13,493	377	2,057	11,059	18.04
<b>Vale of Glamorgan</b>	3,881	1,614	148	2,119	45.41
<b>Cardiff</b>	13,452	10,088	3,364	0	100
<b>Total Local Authorities</b>	87,281	37,962	9,231	40,088	54.08

<sup>1</sup> Statistics for Wales (Stats Wales) is a free-to-use service that allows you to view, manipulate, create and download tables from Welsh data.

<sup>2</sup> Source: Statistics for Wales: **Statistical first release: Welsh Housing Quality Standards**: 6 October 2016: SFR 135/2016.



- 16 During our fieldwork in March and April 2017, officers informed us that there was little dialogue between the Council's WHQS and the Housing Repair Operations teams in the first two years of the Council's WHQS programme. More recently, the Council has integrated the management of the WHQS and Housing Operations teams. Housing teams outside the WHQS Delivery Team are now contributing to the delivery of the programme. For example, the Council informs us that its Building Consultancy team are undertaking feasibility studies to some of the Council's sheltered housing schemes. Members and officers informed us that they felt the integration of the housing teams was having a positive impact on progress. However, the Council's overall performance in meeting the WHQS is such that tenants are not yet receiving the tangible benefits from the integration of the housing teams.
- 17 As at 13 April 2017, the Council's Keystone asset management system shows only 33 properties currently meeting the WHQS for external WHQS elements, and 3,730 properties currently meeting the WHQS for internal WHQS elements. The Council acknowledges that there is a delay in updating WHQS completion data into Keystone and that officers use other methods to understand performance. However, at the time of our fieldwork during March and April 2017, members and officers were unable to tell us how many properties currently meet WHQS and evidence how they were going to ensure the significant backlog of work to achieve WHQS by 2020 was going to be addressed.
- 18 As a result of repeated slippage in delivering the Council's planned schedule of works, the Council has reprofiled its WHQS programme a number of times, most recently in February 2017. We accept that in a programme of this size, there will be a need to review and update the level of works required but the Council's progress continues to fall behind its own schedule, particularly for its external works.
- 19 The Council has recently implemented a new contractual process, the Dynamic Purchasing System (DPS), to attract a wider cohort of contractors. The arrangement will provide contingency options borough-wide and cover both internal and external works. At the time of our fieldwork in March and April 2017, the Council still did not have a contractor in place to undertake the external works to tenants' homes in the Lower Rhymney Valley. The Council hopes that the recent introduction of the DPS will help resolve this issue.
- 20 The Council has a number of sheltered housing schemes that suffer from low demand due to their design and location. The Council has taken six schemes out of the WHQS programme as it has identified these for possible remodelling as they are not fit for purpose. Feasibility studies are ongoing to establish if the schemes could be improved, but the Council has yet to make a decision on these. The Council has incorporated the remaining sheltered housing schemes into its WHQS programme.
- 21 We also found that the Council's arrangements to engage with leaseholders are underdeveloped. The Council has 419 leasehold properties. The Council no longer has a leaseholders' forum. The Council informed us that this was due to forum

members not fully engaging in the forum. In February 2017, members of the Caerphilly Homes Task Group suggested that such a forum should be set up and officers confirmed that this could be explored.

- 22 The Council feels that it has appropriate procedures in place for liaising with leaseholders but during our fieldwork in March and April 2017, interviewees informed us these procedures were not always being followed resulting in tenants subsidising leaseholders for works being carried out. Arrangements to schedule and complete WHQS works to leasehold properties, for example works to common roofs, and external property elements, are unclear. This could potentially hold up the delivery of WHQS work to other Council properties unless resolved. The Council recognises that its approach to leasehold properties is not captured in an integrated strategy. We believe this is key to ensure that improvements to leasehold properties are undertaken effectively.
- 23 The Council set aside £10.6 million to deliver the requirements set out in Part 6 of the WHQS to ensure that 'all dwellings should be located in an environment to which residents can relate and in which they can be proud to live'. This is a key aspect of the Council's wellbeing objective 'Investment in Council homes to transform lives and communities'. The Council's report to the Policy and Resources Scrutiny Committee in February 2017 states that over 100 small local schemes have been approved and it is in the process of consulting tenants to identify further schemes. However, the Council acknowledges that it has been slow to deliver these improvements. Work at Lansbury Park, which includes some hard and soft landscaping, a community garden and removal of a footbridge, has recently started.

## There are weaknesses in the Council's arrangements to meet its statutory landlord responsibilities

- 24 At the time of our fieldwork in March and April 2017, there were over 400 Council properties, which did not have a valid CP12 gas safety certificate. As at 28 April 2017, the Council has improved this position as just over 98% of the Council's properties have a valid CP12 gas safety certificate, meaning that 221 tenanted properties do not.
- 25 The Council has procedures in place to address issues of non-access but at the time of our fieldwork in March and April 2017, we were concerned that there were delays in taking action in accordance with these procedures. As at 28 April 2017, there were 12 properties where gas safety checks were over six months overdue, with three of these being more than a year overdue. The Council needs to assure itself and its tenants that it is taking all reasonable steps to meet the requirements of The Gas Safety (Installation and Use) Regulations 1998 and associated statutory landlord responsibilities.

- 26 Given that we have previously raised concerns about the Council's gas servicing performance, this long-standing issue is of serious concern. In 2008-09 we undertook a review of the Council's voids and concluded that the Council's systems for managing gas servicing had some significant weaknesses and we made six related recommendations<sup>3</sup>. Our recent review suggests these issues have still not been fully resolved.
- 27 The Council has decided to service its solid fuel appliances twice per year, although it only has a legal responsibility to provide an annual service. We understand the Council has recently appointed new contractors to undertake its gas service testing and that this has impacted upon performance as the new contractors become familiar with the Council's procedures.
- 28 We also found that the Council's arrangements for undertaking and recording of asbestos surveys of its housing stock are flawed. Some properties have been surveyed more than once due to inadequate recording of information. This is not only inefficient but also dangerous as there is a risk properties are not being surveyed for asbestos and contractors undertaking works in properties without understanding if asbestos exists. This poses significant health risks for contractors and tenants and underlines the need for up to date and accurate stock condition information.

## The Council has not met all the minimum requirements of the Welsh Government's WHQS policy because it lacks a comprehensive programme that sets out to stakeholders how it will meet the Standard by 2020

- 29 Since the tenants' vote in 2012, the Council has undertaken very limited works during the first two years, due in part to it facing procurement challenges, when getting contracts in place took longer than expected. The Council's senior management informed us that the Council did not commence WHQS works on its properties until 2015.
- 30 Achieving the WHQS is a key priority for the Council with a budget of about £220 million. The Council's senior management feel it has taken steps to accelerate the programme during the last two years, including making management changes and integrating the Council's WHQS and housing maintenance teams.

<sup>3</sup> Our report is available on the Council's [website](#):

- 31 With two and a half years to go, the Council is confident it will meet the WHQS by 2020. We do not share this view. The Council has not met the key WHQS milestones set by the Welsh Government<sup>4</sup>:
- the Council lacks accurate stock condition survey data to base investment decisions on; and
  - the Council has not finalised its programme for investment to achieve the WHQS based on accurate stock condition information.
- 32 The Council makes reference to its Local Housing Strategy in its WHQS related reports but this strategy was developed in 2008 and expired in 2013. The Council has a WHQS investment strategy and business plan. There are also regular reports setting out the reprofiled programme of works. However, because of the fragmented nature of these documents, we do not believe that they provide a strategic, comprehensive and integrated approach setting out clearly to tenants, councillors, officers and other stakeholders how it will meet the WHQS by 2020. The Council's approach has been reactive and tactical rather than planned and strategic. This is evident by the frequent reprofiling of the WHQS programme due to ongoing slippages.
- 33 The lack of a comprehensive programme and strategic approach, which is collectively owned by Members and officers, means that common integrated arrangements and policies for dealing with empty void properties, responsive and planned maintenance, housing allocations, pre-inspections of forthcoming empty properties, actions to deal with non-traditional house types and other key housing issues are not well defined.
- 34 We believe that the Council would benefit from an integrated programme plan which sets out:
- all the key activities which contribute to meeting the WHQS and the wider outcomes the Council is aiming to achieve. This would help the Council consider the relationships and dependencies between all these activities in an integrated way.
  - clear expectations for stakeholders including accurate timescales for when tenants can expect work to be undertaken on their homes.
  - the key milestones for delivery and required resources and inputs to do this.
  - how the Council will monitor and control the programme, including how the Council will monitor its progress in achieving its desired objectives and outcomes (in line with Council's wellbeing objective).
  - the full level of investment needed based on up to date, accurate and comprehensive stock condition information.

<sup>4</sup> Welsh Government and Housemark Cymru, [The Welsh Housing Quality Standard, Revised Guidance for Social Landlords on Interpretation and Achievement of the Welsh Housing Quality Standard](#), July 2008

- 35 It is important that stakeholders, including members and tenants, understand and own the plan.
- 36 During our fieldwork in March and April 2017, members of the Caerphilly Homes Task Group expressed considerable frustration about the delivery of the WHQS programme and raised concerns about the quality of some of the works undertaken.

## The Council does not have adequate and up-to-date stock condition information to enable it to shape its housing investment programme

- 37 The Council has spent £110 million from 2012-13 to 2016-17 in delivering its WHQS programme yet it still does not have a comprehensive understanding of the condition of its housing stock. This significantly impacts on the Council's ability to plan, procure and give accurate programmes of work to contractors and the Council's internal Housing Repair Operation to deliver WHQS works effectively.
- 38 The Council commissioned a stock condition survey in 2008 to inform its housing ballot. The survey only covered a 15% sample of the Council's housing stock. The Council started the WHQS programme without knowing accurately the extent of non-compliance with the WHQS in its housing stock.
- 39 During our interviews, members and officers acknowledged that the 2008 survey information is insufficient and out of date but it is still using this to cost and direct WHQS works. Our fieldwork in March and April 2017, found that the Council had been aware of this concern for some time. Tenant representatives have raised frustrations about this, including to the Policy and Resources Scrutiny Committee in February 2017. In 2016, the Council's WHQS Board decided against undertaking a new stock condition survey. We have not seen evidence that there was a robust assessment of the costs, practicalities, impact and benefits to this decision to not undertake a new survey. We have not seen evidence that this issue was considered by Council or Cabinet.
- 40 In the past 12 months, the Council's in-house Direct Labour Organisation (DLO) team has been undertaking surveys on internal WHQS works of the Council's housing stock in order to provide more accurate information to help base future work projections on actual costs. The Council is also undertaking surveys to better understand the level of external works needed. The Council has informed us that as at June 2017, it has completed surveys for approximately 75% of internal works and 50% of the external works. It is aiming to have a 100% stock condition survey by 2019.
- 41 Given that the Council only has 2.5 years left to meet WHQS, it is concerning that it did not undertake these surveys earlier. It underlines our view that the Council lacks a strategic approach to managing the WHQS programme.

- 42 The Council feels that the most recent survey work together with the condition survey undertaken in 2008 provides them with reliable estimates to plan and undertake the necessary WHQS works. However, we found that the information from the Council's surveys is not always being recorded accurately and in a timely way on the Council's housing management system, Keystone.
- 43 At the time of our fieldwork in March and April 2017, the Council was unable to tell us how many of the Council's 10,852 properties have been surveyed by its in-house team, because of delays in loading information into Keystone. The Council's Keystone asset and contract management system does not provide fully accurate information to enable the Council to keep track of progress on the WHQS programme in a timely way, and there are gaps in recording information.

## The Council has a range of mechanisms to engage with tenants about WHQS but these are ineffective and are not being used to shape planning or drive performance

- 44 The Council has a tenant communication strategy and a range of ways to engage with tenants and their representatives.
- 45 The Council has 14 Tenant Liaison Officers (TLOs), who are seen by officers and members as a valuable resource for the WHQS programme. It is positive that these officers have been trained on areas such as safeguarding, mental health and domestic abuse. The TLOs can advise tenants on wider issues and they provide the link across the Council and with partner agencies to support tenants. Two of the 14 TLOs provide specific support to tenants receiving work as part of the Council's sheltered housing programme. In addition to the 14 TLOs, the Council has two Specialist TLOs who are qualified Occupational Therapists.
- 46 The primary role of the TLO is to act as the interface between tenants and the in-house team or contractor undertaking the improvement works and to support the tenants whilst the work is underway. TLOs provide face-to-face contact with tenants and individual letters are sent to properties to inform tenants of forthcoming improvement works. The Council also informs us that every tenant receives a visit from the relevant TLO before the work starts.
- 47 The Council's 2016-17 customer satisfaction survey shows that 92% of respondents acknowledged that a TLO visited their home to discuss the work that would be undertaken. However, the Council's satisfaction survey only measures the satisfaction of those tenants who have received works to their homes. The Council does not survey those tenants who were due to receive works, but did not.
- 48 Tenants' representatives expressed some dissatisfaction with the TLOs to us during our fieldwork in March and April 2017, suggesting that they were not always available when works were underway. Councillors and tenants have also

expressed concern about the quality of improvement works undertaken, for example, at meetings of the WHQS Board and Caerphilly Homes Task Group.

- 49 The Council would benefit from reviewing its methods of measuring customer satisfaction so that it can capture feedback raised elsewhere. Given that the TLOs are intended to be the interface between the contractor and the tenant, the issues around the quality of works undertaken suggests that there is scope to improve the effectiveness of the TLOs.
- 50 Other mechanisms the Council has available to engage tenants include the Caerphilly Homes Task Group (CHTG), which consists of seven councillors and seven tenants. Whilst this is not a decision making group it can make recommendations to the Council. All Council reports relating to WHQS go through the CHTG including scrutiny reports, monthly WHQS board reports and WHQS quarterly monitoring reports. It was positive to observe tenants' representatives having the opportunity to share their views with the Council's Policy and Resources Scrutiny committee in February 2017. However, despite the tenants' representatives stating that the WHQS programme was having a detrimental rather than transformational impact on people's lives, the Scrutiny Committee did not sufficiently consider the concerns raised by the tenants' representatives at the meeting about elements of the programme.
- 51 One of the Council's 2017-18 wellbeing objectives is investment in Council homes to transform lives and communities, specifically 'to take steps to ensure the physical standard and condition of our housing stock, be improved and maintained to the Welsh Housing Quality Standard (WHQS), helping to improve the quality of life for the people who live in those homes'. This has been one of the Council's improvement objectives for a number of years. 'Investing in our council homes and their communities to transform lives. Rebuilding and refurbishing Council homes so they meet the Welsh Housing Quality standard by 2020' is one of the Council's corporate priorities.
- 52 However, it is evident that tenants and their representatives are frustrated with the Council's progress in delivering the necessary improvement works to their homes. They have raised their concerns about this and the quality of works undertaken with members and officers, but these are not always fully reflected in reports. For example, the report to the Council's Policy and Resources Scrutiny Committee in February 2017 states that 'customer satisfaction levels remain high'. This differs from the views of tenant members of the CHTG which expressed considerable concern to us about the quality of work being completed by the external contractors. Our review of a sample of the minutes of the meetings of the WHQS Board shows that this also differs from the information reported to the WHQS Board by senior members. As stated in paragraph 48, the way the Council measures tenant satisfaction is flawed. It only measures the satisfaction of those tenants who have just received works to their homes. It does not include those who were due to have works undertaken but did not.

- 53 The Council produces a tenants' newsletter twice a year. However, the information the Council has provided to tenants about the expected completion dates of works within its newsletters has been misleading and unhelpful. For example, the Council's summer 2016 tenants' newsletter included a schedule of works where the projected completion dates were 2013-14, 2014-15 and 2015-16 with no explanation of why they did not happen, or an indication of when the works would now be completed. Tenants' representatives are not aware of the Council's plans for delivering the WHQS and the Council's frequent changes to the programme have left them disillusioned. Tenants are largely unaware of when their homes will be brought up to an acceptable standard.
- 54 In addition to the newsletters, the Council uses other forms of media to share information about WHQS, including the Council's Newsline, community roadshows and social media. It has run a number of borough-wide and community events, where there are boards which display the programme timeline, and the public have the opportunity to discuss it with officers. The Council often runs these events in partnership with other agencies, such as Gwent Police, Communities First and the Gwent Association of Voluntary Organisations (GAVO).
- 55 The Council is also about to review its tenant communications strategy and plans to hold a session with tenants to understand what information they want from the Council.

## The Council is unable to ensure that it is achieving value for money in delivering its WHQS works

- 56 The Council has a budget of approximately £220 million to meet the WHQS. From 2012-13 to 2016-17 it has spent nearly £110 million in delivering the WHQS programme. As at the end of March 2016, only 2.53% of the Council's homes met the WHQS. As at 16 May 2017, the Council has not reported how many of its homes met the WHQS by the end of 2016-17 or been able to provide us with this information. We recognise that the Council has focused its attention on undertaking works to the internal elements of its properties to date, but the Council has yet to bring 10,578 properties up to the WHQS and has two and a half years remaining to do this.
- 57 As shown in [Exhibit 3](#) below, the Council has underspent against its annual WHQS budgets over the last four years. This suggests that tenants have continued living in housing that does not meet the WHQS, while the Council has been unable to deploy its resources to deliver an effective programme of improvements. In the last four years, the Council's underspends have ranged between 6% and 47%. For the financial year 2016-17, it underspent by 18.7% on WHQS investment programmes. Poor management and delivery of investment are continuing to hinder the Council achieving the WHQS by 2020. At the time of our fieldwork during March and April 2017, the Council still did not have any certainty about what elements of the



properties it needed to address until the survey of each property had been completed.

- 58 Although it has underspent, the Council has spent substantial financial resources on the WHQS programme to date without effective progress being made. Whilst the Council is making progress on completing the necessary internal works, progress on external works is significantly behind schedule. The Council believes that it can complete the external works by 2020 but according to the information the Council provided to Statistics Wales, as at March 2016 only 2.53 % of its homes are fully compliant with WHQS. As a consequence of uncertainty about what elements of properties needed addressing, resources were not used effectively during the first two years of the WHQS programme. For example, we were told by members we interviewed that 'roofs were replaced that didn't need it'.

**Exhibit 3: Caerphilly County Borough Council's WHQS expenditure and budget over the past four years.**

<b>Financial year</b>	<b>Budget</b>	<b>Total expenditure</b>	<b>Underspend</b>	<b>Proportion underspent</b>
2013-14	£15.553 m	£14.649 m	£0.903 m	6.1%
2014-15	£28.813 m	£15.344 m	£13.469 m	46.7%
2015-16	£36.29 m	£28.623 m	£7.657 m	21.1%
2016-17	£38.591 m	£31.4 m	£7.2 m	18.7%
<b>Total</b>	<b>£119.247 m</b>	<b>£90.016 m</b>	<b>£29.2 m</b>	<b>24.5%</b>

\* In addition to the expenditure above, the Council spent £20 million in 2012-13 on WHQS.

- 59 The Council does not have a grasp of how much WHQS work costs or whether that represents value for money. The Council's reporting on value-for-money issues relating to WHQS has been very limited. The Council has allocated work to its Housing Repair Operation (HRO) without understanding the competitive aspects of the work, and in a situation where the HRO does not have basic information, for example, about the cost of materials that it purchases.
- 60 The Council entered into a single source supply arrangement for all materials in relation to Council-house maintenance and the WHQS programme in 2012. This arrangement has provided some benefits in terms of economies of scale, consistent product specification and quality, and enabled the Council to close its own stores and use the buildings for other purposes.
- 61 The Council undertook a benchmarking exercise of this arrangement in 2014, which resulted in price renegotiations. Internal Audit also undertook a review in May 2016 to ensure compliance with the terms and conditions of the contract and to establish whether in-house processes and procedures are adequate to ensure

that the correct benefits and liabilities of the supply arrangements are calculated and agreed.

- 62 The single source supply contract is a contract where a price list is used, which includes incentivisation in the form of a pain/gain mechanism. The prices as tendered become the target price for that period and the Supply Partner will be paid the defined cost of the goods and materials supplied. If the defined cost is less than the prices, the supply partner will be paid 30% and the Council 70%; this is in effect the gain. If the defined cost exceeds the target prices, the Supply Partner will contribute 30% towards the extra cost; this is in effect the pain.
- 63 Internal Audit concluded that the systems and procedures in place were, in the main, unsatisfactory and a number of control weaknesses existed. Internal Audit also found that the pain/gain aspect of the contract was providing money for the Council but not to the level expected, in part due to insufficient ordering of materials being undertaken in advance. We understand that the Council's response to the Internal Audit report explained that the contract was only open to the WHQS and HRO spending, so the Council could only order materials required by these two teams. Nevertheless, we believe this again supports our view that the Council lacks a strategic approach underpinned by robust stock condition information that would enable it to forward plan the level of works and materials needed in order to maximise the benefits of its contractual arrangements.
- 64 The Council has recently commissioned consultants to undertake a review of its single source supply arrangement.
- 65 Contract performance reports are provided periodically to the WHQS Board and the Board has called in contractors to discuss and challenge performance. The Council has been concerned about the progress and quality of works undertaken by one of its external contractors. The Council has explained to us that it previously had issues with the other contractors, but is confident that it has now addressed these.
- 66 The in-house team is now also responsible for delivering the WHQS works to the Council's sheltered housing schemes. Tenants have been positive about the quality of the works undertaken by the in-house team. The Council informs us that it decided to use its in-house team for its sheltered housing schemes following a comparison against the tendered works and considerations of other factors such as the vulnerability of its tenants. It is not clear if this constituted a formal competitive process to ensure that the use of the in-house team provides value for money. The Council also tells us that it had previously compared the costs and value of its in-house team against contractors but the Council has not provided us with the evidence to demonstrate that this was the case.
- 67 The lack of a strategic programme also suggests that the Council has not yet considered if the increasing use of its in-house team is sustainable or provides value for money.

68 The Council has undertaken workshops with local companies to help them understand the Council's procurement process so as to facilitate greater take-up/use of local contractors. As part of their community benefit clauses, the Council's contractors are also required to undertake six Meet the Buyer events during the course of the contract.

## Arrangements to oversee, challenge, monitor and scrutinise the progress of the WHQS programme are weak and fail to provide sufficient oversight of the totality of the programme

69 The Council has a number of arrangements to oversee and challenge its progress in meeting WHQS. This includes the WHQS Board, Caerphilly Homes Task Group (CHTG), a Tenants Council, Cabinet and scrutiny committees. However, these governance arrangements have not been fully effective and roles and responsibilities have become blurred. Both the WHQS Board and the CHTG have been focused on operational detail and there has been a lack of corporate overview of the WHQS programme. Because the Council felt these arrangements were sufficient, WHQS is not part of its Business Improvement Board arrangements set up in 2016 to provide corporate oversight of its major projects.

70 Performance management and reporting of the WHQS programme have been poor. WHQS performance and progress reports do not show progress of the WHQS programme in a clear and understandable way. Significant amounts of information are presented, but officers do not report progress against the programme as a whole to show the numbers of properties which meet the WHQS. Reports tend to focus on progress against the internal and external works and due to a number of 're-profiling' exercises the exact current position is difficult to identify. This hampers members' and tenants' ability to understand the true up-to-date picture and to challenge performance effectively.

71 Members are not providing sufficient leadership or challenge to the WHQS programme to ensure that tenants live in homes that are in line with the WHQS. Whilst members of the Policy and Review scrutiny committee did ask some relevant questions at the meeting in February 2017, for example, about accessing properties, they did not take the opportunity to rigorously challenge the Council's poor performance in meeting WHQS. A number of members thanked the officers for their hard work and improvement, despite acknowledging issues about quality and having listened to tenants' representatives express frustration.

72 Reasons for the lack of progress with achieving WHQS are not well understood or reported in a clear and transparent way. Officers have reported to members that one of the reasons for the slippage of the internal works programme is the inability to gain access to properties. However, the Council's data systems do not capture this information, and reports to Cabinet, the CHTG and the Policy and Resources

Scrutiny Committee do not quantify the extent of the problem or provide adequate reasons for what is being done to mitigate the issue. At the Policy and Resources Scrutiny Committee in February 2017, councillors asked officers to provide this access to properties information so that they could understand the issue better and see what they could do as ward members to help address this. Officers did not have this information to provide to the members at the meeting. In their response to our draft report, officers stated that the issue of no access had not had any major impact on the Council's progress and relates to internal works only. Nevertheless, it is important that officers and councillors fully understand the reasons for no access so works can be planned and undertaken effectively.

- 73 The Council has set itself the objective that delivering WHQS works will 'transform people's lives'. In February 2017, officers provided a report to the Policy and Resources Scrutiny Committee on the Council's progress in meeting its wellbeing objective WO5 – 'Investment in Council homes to transform lives and communities'. The report emphasises that the Council's investment in its council houses was not just about delivering the WHQS but also to aspire to transform homes, lives and communities. The report highlights the employment opportunities that have been created through the inclusion of community benefit clauses in WHQS contracts. For example, the report states that as at December 2016, 68 permanent full-time opportunities with contractors and 83 full-time opportunities within the Council had been created, as well as the creation of 53 apprenticeships. The report also highlights other benefits that have been delivered.
- 74 However, the measures that the Council is using to monitor progress in achieving its 'Investment in Council homes to transform lives and communities' wellbeing objective are primarily focused on delivering the WHQS rather than delivering wider benefits and outcomes to tenants and communities. The Council informs us that it has information to demonstrate that its work is having a positive impact on people's lives, such as case studies of tenants who have benefitted from adaptations. However, currently the Council is not reporting this to members and the public effectively.
- 75 The Council has lacked robust and effective programme management of its WHQS works. Primarily as a result of problems awarding contracts, the Council was slow to start its WHQS works and we feel the Council has been catching up with issues rather than taking a considered and strategic approach. It has spent £110 million to date on WHQS but it still has significant work to do to achieve WHQS by 2020. The Council is confident that it will complete the required internal works ahead of schedule but recognises there is a risk it may not complete the necessary external works. The Council tells us that it is working hard to take steps to mitigate this risk, but based on the Council's performance to date and the findings from our review, we are not assured that the Council will meet WHQS by 2020.
- 76 The Council has reduced its risk rating of failing to achieve WHQS by 2020 from 'red' to 'amber'. This is despite the Council's poor performance and the absence of a comprehensive strategic approach to address this. Given our findings, we feel this remains a significant risk for the Council.

- 77 We have concerns about the capacity of the directorate to manage the WHQS programme. WHQS now sits within the Directorate of Communities, which also covers other large priority service areas including waste and leisure. We understand teams are working hard to try to deliver WHQS but they do not have adequate direction and oversight to accelerate progress.
- 78 As the Council is aware, we have previously raised concerns about the Council's overview and management of its large priority programmes, including leisure. Our findings about WHQS have escalated these concerns.

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# WHQS - Internal Works Programme

# Appendix 2

Community Area	Number of Properties in Community	Internal Contract Name	Internal Contract Year	Contract Completed
ABERBARGOED LOWER	47	INT16C-UC14 ABERBARGOED LOWER - PHASE 1	2016/17	Y
		INT16C-UC15 ABERBARGOED LOWER - PHASE 2	2016/17	Y
ABERBARGOED MIDDLE	88	INT16C-UC12 ABERBARGOED MIDDLE - PHASE 1	2016/17	Y
		INT16C-UC13 ABERBARGOED MIDDLE - PHASE 2	2016/17	Y
		INT16C-UC16 ABERBARGOED MIDDLE - PHASE 3	2016/17	Y
ABERBARGOED UPPER	216	INT17C-UC26 COMMUN RD/HEATHFIELD WALK/TY LLWYD WAL	2017/18	N
		INT17C-UC27 ROCKLEIGH AVE/SANNAN ST	2017/18	N
		INT17C-UC28 THOMAS STREET	2017/18	N
		INT17C-UC29 HIGHFIELD CRESCENT	2017/18	N
		INT17C-UC30 COEDYMOETH ROAD	2017/18	N
		INT17C-UC31 PANTYFID ROAD	2017/18	N
		INT17C-UC32 LEWIS STREET	2017/18	N
		INT17C-UC33 WILLIAM FORBES BUNGALOWS	2017/18	N
ABERCARN	37	Contract not yet created		N
ABERTRIDWR	133	INT16C-LC13 - ABERTRIDWR PHASE 1	2016/17	Y
		INT16C-LC14 - ABERTRIDWR PHASE 2	2016/17	Y
		INT16C-LC15 - ABERTRIDWR PHASE 3 - CEFN ILAN	2016/17	N
		INT16C-LC16 - ABERTRIDWR PHASE 4 - ILAN ROAD	2016/17	Y
		INT17D-L42 ABERTRIDWR CS MOP UP	2017/18	N
ABERTYSSWG	81	Contract not yet created		N
		INT17D-U35 ABERTYSSWG PHASE 1	2017/18	N
		INT17D-U36 GREENSWAY	2017/18	N
ARGOED	30	INT15C-EC18 GREENFIELD TCE/LWR JAMES ST/PENYLAN RD	2015/16	Y
BARGOED	155	Contract not yet created		N
		INT18D-U46 MOORLAND RD/HEOLDDU DR,GR,RD/PARK LODGE	2018/19	N
		INT18D-U47 HEOLDDU CRES/HEOLDDU AVE/MT PLEASANT	2018/19	N
		INT18D-U48 HEOLDDU GROVE	2018/19	N
		INT18D-U49 ST GWLADYS AVENUE	2018/19	N
BEDWAS	254	Contract not yet created		N
		INT17C-LC27 EAST AVE/GLEBE/NEWPORT RD/THE CRESCENT	2017/18	N
		INT17C-LC28 BRYNFEDW AVE / HILLSIDE TCE	2017/18	N
		INT17C-LC32 GREENACRE DRIVE	2017/18	N
		INT17D-L38 CONTRACT SERVICES REALLOCATION (FULL)	2017/18	N
		INT17D-L39 CONTRACT SERVICES REALLOCATION (PARTIAL)	2017/18	N
		INT18D-L43 BRYNAWEL / BRYNCANOL	2018/19	N
		INT18D-L44 BRYNHEOL	2018/19	N
BLACKWOOD	307	Contract not yet created		N
		INT18D-E41 APOLLO WAY/CROESO SQ/ATLEE RD	2018/19	N
		INT18D-E42 CHARTIST WAY/FROST PLACE	2018/19	N
		INT18D-E43 COEDCAE WALK/ALDERMAN/GIBBS/CEFN/DAVID	2018/19	N
		INT19C-EC80 MONTCLAIRE AVENUE	2019/20	N
		INT19C-EC81 ALBANY RD/CORONATION RD	2019/20	N
		INT19C-EC82 MORRISON ST/WOODBINE RD	2019/20	N
		INT19C-EC83 PARFITT PLACE	2019/20	N
		INT19C-EC84 WAUN LLWYN CRESCENT	2019/20	N
		INT19C-EC85 BLOOMFIELD/PLEASANT/SUNNYBANK/TREE/TYI	2019/20	N
		INT19C-EC86 LEWIS LEWIS AVENUE	2019/20	N
BRITANNIA	83	INT15C-EC19 BRITANNIA WALK/FARM VIEW	2015/16	Y
		INT15C-EC20 HODGES CRESCENT/ORCHARD LANE	2015/16	Y
		INT15C-EC21 SALWAY AVENUE	2015/16	Y
BRITHDIR	8	INT16C-UC17 BRISTOL TERRACE	2016/17	Y
BRYNCENYDD	32	INT14D-L15 BRYNCENYDD	2014/15	Y
CAERBRAGDY	24	INT17D-L35 CAERBRAGDY	2017/18	N
CASCADE	18	INT15D-U28 LLWYN ONN	2015/16	Y
CEFN FFOREST	349	Contract not yet created		N
		INT15C-EC04 DYLAN AVENUE/PWLLGLAS ROAD	2015/16	Y
		INT15C-EC05 ST MARGARETS AVE/FAIRVIEW	2015/16	Y
		INT15C-EC06 CEFN FFOREST AVE/TYNYCOED CRES	2015/16	Y
		INT15C-EC07 DAVIES ST/BRYNGOLEU ST/BRYN RD	2015/16	Y
		INT15C-EC08 GREENWOOD RD/WHEATLEY PL	2015/16	Y
		INT15C-EC09 ADDISON ST/BEVAN CRES	2015/16	Y
		INT15C-EC10 WAUNBORFA/TWYNYFFALD/OLD POLICE STATIO	2015/16	Y
		INT15C-EC11 BEDWELTY ROAD	2015/16	Y
		INT15C-EC12 PENCOED AVE - PART 1	2015/16	Y
		INT15C-EC13 PENCOED AVE - PART 2	2015/16	Y
		INT15C-EC14 PENCOED AVE - PART 3	2015/16	Y
		INT15C-EC15 PENYBRYN AVE/MARIANWEN ST	2015/16	Y
		INT15C-EC16 CENTRAL AVE/CRAIGLAS/DERWENDEG	2015/16	Y
CEFN HENGOED	165	INT15D-U23 HEOL Y FELIN/GELLIGAER RD/DERWENDEG AVE	2015/16	Y
		INT15D-U24 LANSBURY AVENUE 1-69	2015/16	Y
		INT15D-U25 LANSBURY AVENUE 75-143	2015/16	Y
		INT17D-U21 HENGOED H CL/HENG H DRV/WOODLAND/3 ELMS	2017/18	N
		INT17D-U22 BIRCH CRES/HENGOED AVE/HENGOED CRES	2017/18	N
CHURCHILL PARK	178	Contract not yet created		N
		INT16C-LC20 - CHURCHILL PARK - PHASE 1	2016/17	Y
		INT16C-LC21 - CHURCHILL PARK - PHASE 2	2016/17	Y
		INT16C-LC22 - CHURCHILL PARK - PHASE 3	2016/17	Y

		INT16C-LC23 - CHURCHILL PARK - PHASE 4	2016/17	Y
CLAUDE ROAD	70	INT17D-L40 CLAUDE ROAD - PHASE 1 - 2 STOREY	2017/18	N
		INT17D-L41 CLAUDE ROAD - PHASE 2 - 3 STOREY	2017/18	N
CROESPENMAEN	62	Contract not yet created		N
		INT17C-EC54 CROESPENMAEN	2017/18	N
CROSSKEYS	148	Contract not yet created		N
		INT17C-EC45 CROSSKEYS PHASE 1	2017/18	N
		INT17C-EC46 CROSSKEYS PHASE 2	2017/18	N
CWMCARN	104	INT17C-EC47 ABERCARN FACH	2017/18	N
		INT17C-EC48 GEORGE ST / TRIBUTE AVE	2017/18	N
		INT17C-EC49 NANTCARN ROAD	2017/18	N
		INT17C-EC50 EDWARDSVILLE	2017/18	N
DERI	28	INT13D-U08 YSGWYDDGWYN	2013/14	N
		INT16C-UC17 BRISTOL TERRACE	2016/17	Y
FAIRVIEW	31	INT15C-EC22 ANEURIN AVE/EDWARD ST/FLORAL AVE	2015/16	Y
FLEUR-DE-LYS	46	INT15C-EC23 BEILI G/COUNDLEY/SCHOOL ST/SUMMERFIELD	2015/16	Y
		INT15C-EC24 FRANCIS ST/WARNE ST/GWENT CT/HAFOD CL	2015/16	Y
FOCHRIV	154	INT18D-U50 GLANYNANT	2018/19	N
		INT18D-U51 CORONATION CRESCENT/HEOL IAGO/RHODFA GA	2018/19	N
		INT18D-U52 CAE GLAS NEWYDD/THE GROVE/BRYN NANT	2018/19	N
		INT18D-U53 HEOL Y BRYN/HILLSIDE/PONTLOTTYN RD	2018/19	N
GELLIGAER	346	Contract not yet created		N
		INT17D-U37 ST CATTWGS AVE/PENYWRLOD	2017/18	N
		INT17D-U38 ANEURIN BEVAN AVENUE	2017/18	N
		INT17D-U39 CLAERWEN	2017/18	N
		INT17D-U40 DAN Y GAER/GAER PL/GREENHILL PL	2017/18	N
		INT17D-U41 HEOL CATTWG/HEOL EDWARD LEWIS	2017/18	N
		INT17D-U42 HEOL PENALLTA/HEOL Y WAUN/CHURCH RD	2017/18	N
		INT17D-U43 HAMAN PLACE	2017/18	N
GELLIGROES	58	Contract not yet created		N
		INT16C-EC43 GELLIGROES	2016/17	Y
GILFACH LOWER	108	INT18C-UC40 AERON COURT/PLACE	2018/19	N
		INT18C-UC41 ANDREWS CL/CROSS ST/ST ANNES	2018/19	N
		INT18C-UC42 GWERTHONOR RD/LEWIS CRES/THE CLOSE/THE	2018/19	N
		INT18C-UC43 VERE PLACE/STREET/THE AVENUE	2018/19	N
GILFACH PHASE 1 GIL1	72	Contract not yet created		N
		INT16C-UC19 BRYNTEG/HEOL FACH/HEOL FARGOED	2016/17	Y
		INT16C-UC20 HILLSIDE VIEW/VALE VIEW/WESTERN DRIVE	2016/17	Y
GILFACH PHASE 2	178	INT16C-UC21 ASH PLACE	2016/17	Y
		INT16C-UC22 BEECH CT/BRYNTEG/OAK PLACE	2016/17	Y
		INT17C-UC23 SYCAMORE COURT	2017/18	N
		INT17C-UC24 PARK VIEW	2017/18	N
GILFACH PHASE 3	137	INT17C-UC34 HEOL Y MYNYDD	2017/18	N
		INT17C-UC35 HEOL CARADOC	2017/18	N
		INT17C-UC36 HEOL COEDCAE	2017/18	N
		INT17C-UC37 HEOL BRYCHAN/HEOL PENGARREG	2017/18	N
		INT17C-UC38 HEOL CAE DERWEN	2017/18	N
GRAIG Y RHACCA	388	INT15D-L17 COLERIDGE GARDENS	2015/16	N
		INT15D-L18 DICKENS COURT ODD NUMBERS	2015/16	Y
		INT15D-L19 DICKENS COURT EVEN NUMBERS	2015/16	Y
		INT15D-L20 GRAYS GARDENS ODD NUMBERS	2015/16	Y
		INT15D-L21 GRAYS GARDENS EVEN NUMBERS	2015/16	Y
		INT16D-L28 BURNS CLOSE / SHELLEY COURT	2016/17	Y
		INT16D-L29 MILTON PLACE	2016/17	Y
		INT16D-L30 LONGFELLOW GARDENS	2016/17	Y
		INT16D-L31 KEBLE COURT 1-61	2016/17	Y
		INT16D-L32 KEBLE COURT 62-130 & HERRICK PLACE	2016/17	Y
HENGOED	105	Contract not yet created		N
		INT14D-U15 CEFN RD/HEOL CELYN/DERW/DEWI/UCHAF/HILL	2014/15	Y
		INT14D-U16 ASHGR/BEECH/BRYNGL/MYRTLE/ACACIA/HENGOE	2014/15	Y
		INT14D-U17 CHAPEL TERRACE/HAWTHORN AVENUE	2014/15	Y
HEOL TRECASTELL	57	INT18D-L45 HEOL BEDDAU/GLEDYR/NANTGARW RD/PLAS TH	2018/19	N
		INT18D-L46 HEOL TRECASTELL	2018/19	N
HIGHMEADOW	42	INT14D-E11 HIGH MEADOW - PART 1	2014/15	Y
		INT14D-E12 HIGH MEADOW - PART 2	2014/15	Y
LANSBURY PARK	520	Contract not yet created		N
		INT14C-LC01 HALDANE COURT	2014/15	Y
		INT14C-LC02 ATTLEE COURT	2014/15	Y
		INT14C-LC03 GREENWOOD COURT	2014/15	Y
		INT15C-LC04 ALEXANDER COURT	2015/16	Y
		INT15C-LC05 BUXTON COURT	2015/16	Y
		INT15C-LC06 GRAHAM COURT	2015/16	Y
		INT15C-LC07 TREVELYAN COURT	2015/16	Y
		INT15C-LC08 WEDGEWOOD COURT	2015/16	Y
		INT15C-LC09 HARTSHORN COURT	2015/16	Y
		INT15C-LC10 SNOWDON COURT	2015/16	Y
		INT15C-LC11 MAXTON COURT	2015/16	Y
		INT17D-L39 CONTRACT SERVICES REALLOCATION (PARTIAL	2017/18	N
LLANBRADACH	76	INT16C-LC17 - GARDEN STREET - LLANBRADACH PHASE 1	2016/17	Y
		INT16C-LC18 - PLASCAE/THOMAS/WOODLAND - LLAN PH 2	2016/17	Y
		INT16C-LC19 - SCHOOL STREET - LLANBRADACH PHASE 3	2016/17	Y
LLANFACH	24	INT14D-E15 CLYTHA/PENRHIW/TWYN PLACE	2014/15	Y
MACHEN	63	INT17D-L33 MACHEN PHASE 1	2017/18	N
		INT17D-L34 MACHEN PHASE 2	2017/18	N



MAES MABON	148	INT16D-U31 LAN Y PARC/HEOL LLYSWEN	2016/17	Y
		INT16D-U32 LLWYN YR EOS	2016/17	Y
		INT16D-U33 CHURCH LANE/MAES YR ONEN	2016/17	Y
		INT16D-U34 PRIMROSE CLOSE/YNYS LAS	2016/17	Y
MAESYCWMMER	112	Contract not yet created		N
		INT18C-UC44 GWERNA CRESCENT/PARK ROAD	2018/19	N
		INT18C-UC45 CHAVE/THE CRESCENT/GLEN/VALE/PLEASANT	2018/19	N
		INT18C-UC46 GLENCOED/HILL VIEW	2018/19	N
MARKHAM-HOLLYBUSH	127	INT15C-EC26 MOUNTAIN VIEW 1-29	2015/16	Y
		INT15C-EC27 MOUNTAIN VIEW 31-64	2015/16	Y
		INT16C-EC28 MONMOUTH WALK	2016/17	Y
		INT16C-EC29 JAMES ST/COMMUN CL/JOHN ST/HOLLYBUSHX2	2016/17	Y
MORRISVILLE	12	INT15D-E20 MORRISVILLE/NINE MILE POINT ROAD	2015/16	Y
NANTDDU	52	INT16C-LC24 - NANTDDU	2016/17	Y
		INT17D-L39 CONTRACT SERVICES REALLOCATION (PARTIAL	2017/18	N
NELSON	79	Contract not yet created		N
NEW TREDEGAR	140	INT15D-U26 BRYNCELYN/RHIWFER/TAI SIRIOL	2015/16	Y
		Contract not yet created		N
NEWBRIDGE	88	INT19D-U54 JUBILEE/QUEENS	2019/20	N
		INT19D-U56 RHOSYN GWYN/LONG ROW	2019/20	N
		INT19D-U58 GREENFIELD ST	2019/20	N
		Contract not yet created		N
OAKDALE	73	INT17C-EC51 NEWBRIDGE PHASE 1	2017/18	N
		INT17C-EC52 NEWBRIDGE PHASE 2	2017/18	N
		INT17C-EC53 ASHFIELD ROAD / TROWEN	2017/18	N
PANTSIDE LOWER	221	INT16C-EC30 UNDERWOOD/HIGHTREE/GROVESIDE/PARK VIEW	2016/17	Y
		INT16C-EC31 PENMAEN CORNER/IVY BUSH COURT	2016/17	Y
		INT16C-EC32 CENTRAL AVENUE/FARM CLOSE	2016/17	Y
PANTSIDE UPPER	77	Contract not yet created		N
		INT13D-E01 CLAREMONT ROAD\HAZELWOOD ROAD	2013/14	N
		INT13D-E02 ELLESMERE COURT\OLD PANT ROAD	2013/14	N
		INT13D-E03 CORONATION CRESCENT\HILARY ROAD	2013/14	Y
		INT13D-E04 NEWLYN ROAD\STONERWOOD VIEW	2013/14	Y
		INT13D-E06 GREENLANDS\HILLTOP CRESCENT\SUNNYCREST	2013/14	Y
		INT13D-E07 PANT VIEW\QUEENS ROAD	2013/14	Y
		INT13D-E08 CARLYON RD\ROSE CT\CEFN CT	2013/14	N
		INT14D-E13 CENTRAL AVENUE - PART 1	2014/15	N
		INT14D-E14 CENTRAL AVENUE - PART 2	2014/15	Y
PENGAM	28	INT13D-E08 CARLYON RD\ROSE CT\CEFN CT	2013/14	N
		INT13D-E09 GLANSHON\LINDEN\WILLOW COURTS	2013/14	Y
		INT14D-E10 ELM/LIME/OAK/PENYCAEAU COURT	2014/15	Y
PENLLWYN LOWER	71	INT15C-EC25 BONT CLOSE/ISLWYN CLOSE	2015/16	Y
PENLLWYN UPPER	253	INT16C-EC35 PENLLWYN LOWER	2016/17	Y
		INT17D-E31 FLEUR DE LYS AVE	2017/18	N
		INT17D-E32 TROWEN/LLANOVER/GROVE/ST MARYS	2017/18	N
		INT17D-E33 RUSHMERE/RHYMNEY CL/MYNYDDISLWYN/ST SAN	2017/18	N
		INT17D-E34 HEOL TRELYN/BROADMEAD/PENYMEAD/EDGE/BEE	2017/18	N
		INT18D-E39 HIGHMEAD	2018/19	N
PENPEDAIRHEOL	8	INT18D-E40 HILL VIEW	2018/19	N
PENTWYNMAWR	62	INT18C-UC47 HENGOED RD/OAKS END/CYLLA/PENYBRYN TCE	2018/19	N
		Contract not yet created		N
PENYBRYN	4	INT16C-EC42 PENTWYNMAWR	2016/17	Y
		INT18C-UC47 HENGOED RD/OAKS END/CYLLA/PENYBRYN TCE	2018/19	N
PENYRHEOL LOWER	167	Contract not yet created		N
		INT18C-LC51 BRYNGLAS/BRYNHEULOG	2018/19	N
		INT18C-LC52 BRYNTIRION/H-T-COED/RHIW FACH/TROED-Y-	2018/19	N
		INT18C-LC53 HEOL TIR GIBBON	2018/19	N
		INT18C-LC54 GELLI DEG	2018/19	N
		INT18C-LC55 BRYNTEG/CAE GLAS/MAES HIR	2018/19	N
PENYRHEOL UPPER	322	Contract not yet created		N
		INT18C-LC44 HEOL ANEURIN	2018/19	N
		INT18C-LC45 Y CILGANT	2018/19	N
		INT18C-LC46 PENYBRYN	2018/19	N
		INT18C-LC47 HEOL FER/H-PENTWYN/H-Y-GOGLEDD	2018/19	N
		INT18C-LC48 CEFN-Y-LON/GLAN FFRWD/HEOL TIR BACH	2018/19	N
		INT18C-LC49 HEOL FAWR	2018/19	N
		INT18C-LC50 PENYGROES	2018/19	N
PERSONDY	29	INT15D-E23 ACACIA/LABURNAM/MAPLE/PERSONDY/SYCAMORE	2015/16	Y
PHILLIPSTOWN	159	INT19D-U55 CROFT/FIELD/ORCHARD/PRITCHARDS/SOUTH V	2019/20	N
		INT19D-U57 MEADOW/PENRHYN/FARM TCE	2019/20	N
		INT19D-U59 DAVALOG/FERNHILL	2019/20	N
		INT19D-U60 DERLWYN STREET	2019/20	N
		INT19D-U61 JONES STREET	2019/20	N
		Contract not yet created		N
PONTLOTTYN	231	INT15C-UC04 DANYGRAIG/HEOL Y WAUN/SOUTHEND TCE	2015/16	Y
		INT15C-UC05 SUNNYVIEW/BRYNGLAS	2015/16	Y
		INT15C-UC06 BRYNHYFRYD 1-50	2015/16	Y
		INT15C-UC07 BRYNHYFRYD 51-121	2015/16	Y
		INT15C-UC08 HILL RD/QUEEN S/HEOL EW/BOARD S/RIVER	2015/16	Y
		INT15C-UC09 FARM RD/WINE ST/CHAPEL ST	2015/16	Y
		INT15C-UC10 MOUNT ST/HIGH ST/MERCHANT ST/UNION ST	2015/16	Y
PONTYMISTER	162	Contract not yet created		N
		INT18C-EC66 HILL STREET/WOODVIEW RD	2018/19	N
		INT18C-EC68 TANYBRYN/TYNYCWM RD	2018/19	N
		INT18C-EC69 FIELDS/MEADOW/NEWPORT/TY ISAF CRES	2018/19	N

		INT18C-EC70 TY ISAF PARK AVE/CRESCENT/VILLAS	2018/19	N
		INT18C-EC71 TY ISAF PARK CIRCLE/ROAD	2018/19	N
		INT18C-EC72 SPRINGFIELD ROAD	2018/19	N
PONTYWAUN	75	Contract not yet created		N
		INT18C-EC77 GARDEN SUBURBS/NORTH RD	2018/19	N
PORSET PARK	179	INT18D-L48 CLOS GUTO/GWAUN NEWYDD	2018/19	N
		INT18D-L49 COED CAE	2018/19	N
		INT18D-L50 LON YR ODYN	2018/19	N
		INT18D-L51 COED PWLL	2018/19	N
		INT18D-L52 COED MAIN	2018/19	N
PWLLYPANT	38	INT13D-L01 CASTLE VIEW\CENTRAL STREET\MOUNTAIN VIE	2013/14	N
RHYMNEY NORTH	398	Contract not yet created		N
		INT12D-U06 GLAN YR AFON	2012/13	N
		INT13D-U01 GLANYNANT	2013/14	N
		INT13D-U02 ANEURIN TERRACE\ISFRYN	2013/14	Y
		INT13D-U03 HEOLYTWYN	2013/14	Y
		INT13D-U04 HEOL UCHAF\LOWER ROW\PHILLIPS WALK	2013/14	Y
		INT13D-U05 PENYDRE	2013/14	Y
		INT13D-U09 TY COCH (1-40)	2013/14	Y
		INT13D-U10 TY COCH (41-116)	2013/14	Y
		INT14D-U11 BRYN CARNO	2014/15	Y
		INT14D-U12 GOLWG Y MYNYDD/HIGH ST/TWYN CARNO	2014/15	Y
		INT14D-U19 ROWAN PLACE	2014/15	Y
		INT14D-U20 ROWAN PLACE	2014/15	Y
RHYMNEY SOUTH	443	Contract not yet created		N
		INT12D-U01 NURSERY CRESCENT	2012/13	N
		INT12D-U02 GARDEN CITY\MAES YR HAF\SUNNYHILL	2012/13	N
		INT12D-U03 HAFODYMYNYDD	2012/13	N
		INT12D-U04 IDRIS DAVIES PLACE\PLANTATION TERRACE	2012/13	N
		INT12D-U05 ST CLARES\WELLINGTON WAY	2012/13	Y
		INT14C-UC01 MOUNTBATTEN/RAMSDEN/JENKINS/HAVARDS RO	2014/15	Y
		INT14C-UC02 BEULAH/DUFFRYN/FORGE/THOMAS FIELDS	2014/15	Y
		INT14C-UC03 BROOKFIELD AVE/EGLWYS FAN/BRYNHYFRYD	2014/15	Y
RISCA	164	Contract not yet created		N
		INT18C-EC73 CLYDE STREET	2018/19	N
		INT18C-EC74 DANYGRAIG BU/CRESCENT/EXCHANGE/GROVE R	2018/19	N
		INT18C-EC75 FERNLEA	2018/19	N
		INT18C-EC76 RAGLAN ST/CROMWELL RD INCL BUNGS	2018/19	N
RUDRY	15	INT17C-LC26 RUDRY / TRAPWELL	2017/18	N
		INT17D-L38 CONTRACT SERVICES REALLOCATION (FULL)	2017/18	N
SENGHENYDD	118	Contract not yet created		N
		INT13D-L04 PLAS CWM PARC	2013/14	N
		INT13D-L05 PLAS CWM PARC	2013/14	N
		INT13D-L06 ALEXANDER TERRACE\CENYDD TERRACE\COMM	2013/14	N
		INT13D-L07 TAN Y BRYN TERRACE	2013/14	N
SPRINGFIELD	239	Contract not yet created		N
		INT16C-EC36	2016/17	Y
		INT16C-EC37 ALDER/BROOK/UPLAND/HIGHL/ORCHARD/MUSSL	2016/17	Y
		INT16C-EC38 PEMBREY/CWMALSIE/MILL ROAD	2016/17	Y
		INT16C-EC39 BROOKFIELD ROAD	2016/17	Y
		INT16C-EC40 MEADOW ROAD	2016/17	Y
		INT16C-EC41 MILLBROOK RD/OAKFIELD	2016/17	Y
THOMASVILLE	31	INT13D-L02 THOMASVILLE	2013/14	N
TIRPHIL	39	INT16C-UC18 TIRPHIL	2016/17	Y
TIRYBERTH	44	INT15D-U29 CHURCHFIELD CLOSE/ORCHID CLOSE	2015/16	Y
TRAPWELL	10	INT17C-LC26 RUDRY / TRAPWELL	2017/18	N
		INT17D-L38 CONTRACT SERVICES REALLOCATION (FULL)	2017/18	N
TRECENYDD	201	Contract not yet created		N
		INT13D-L08 FIRST AVENUE	2013/14	Y
		INT14D-L09 WEST AVENUE/TY ISAF BUNGALOWS	2014/15	N
		INT14D-L10 SECOND AVENUE	2014/15	N
		INT14D-L11 THIRD AVENUE/TEGFAN	2014/15	Y
		INT14D-L12 GRANGE CLOSE	2014/15	Y
		INT14D-L13 THE CRESCENT TRECENYDD	2014/15	Y
		INT14D-L14 HEOL FACH/PEN Y FFORDD/EAST AVE	2014/15	Y
TRELYN UPPER	79	INT14C-EC01 PERTH COURT/ADELAIDE COURT	2014/15	Y
		INT14C-EC02 MELBOURNE COURT/SYDNEY COURT	2014/15	Y
		INT14C-EC03 BRISBANE COURT/CWRT Y WAUN	2014/15	Y
TREOWEN	11	INT17C-EC53 ASHFIELD ROAD / TREOWEN	2017/18	N
TRETHOMAS	141	Contract not yet created		N
		INT15D-L24 REDBRK/STANDD/NAVIGTN/ASH/BIRCH/HAZEL	2015/16	Y
		INT15D-L25 AELYBRYN/THE BRYN	2015/16	Y
		INT15D-L26 BEVAN CLOSE/BEVAN RISE/BRYN Y FRAN AVE	2015/16	Y
TRINANT	240	Contract not yet created		N
		INT17C-EC55 TRINANT TERRACE - ODDS	2017/18	N
		INT17C-EC56 TRINANT TERRACE - EVENS	2017/18	N
		INT17C-EC57 BELVEDERE CL / CONWAY ROAD	2017/18	N
		INT17C-EC58 LLANERCH RD / MARSHFIELD RD	2017/18	N
		INT17C-EC59 PENYFAN CL / PENYWAUN RD / THORNLEIGH	2017/18	N
		INT17C-EC60 CEDAR RD / OSBOURNE RD / PRINCE ANDREW	2017/18	N
		INT17C-EC61 PENTWYN TCE / PHILIP ST / PRINCESS CRE	2017/18	N
TWYN GARDENS	37	INT16C-EC33 TWYN GARDENS	2016/17	Y
TY ISAF	7	INT14D-L09 WEST AVENUE/TY ISAF BUNGALOWS	2014/15	N
TY NANT	29	INT13D-L03 TY NANT	2013/14	N

TY-SIGN LOWER	153	Contract not yet created		N
		INT17C-EC63 MAPLE/SYCAMORE/THISTLE	2017/18	N
		INT17C-EC64 CHARTIST/ISLWYN/MACHEN/SEVERN	2017/18	N
		INT17C-EC65 CHANNEL VIEW	2017/18	N
		INT17C-EC67 WOODVIEW CRESCENT	2017/18	N
		INT18C-EC66 HILL STREET/WOODVIEW RD	2018/19	N
TY-SIGN UPPER	305	INT15D-E16 ELM DRIVE - EVENS PART 1	2015/16	Y
		INT15D-E17 ELM DRIVE - EVENS PART 2	2015/16	Y
		INT15D-E18 ELM DRIVE - ODDS	2015/16	Y
		INT16D-E26 MANOR COURT/ALMOND AVE/ASTER CLOSE	2016/17	Y
		INT16D-E27 BIRCH GROVE/FAIRVIEW AVENUE	2016/17	Y
		INT16D-E28 HOLLY ROAD	2016/17	Y
		INT16D-E29 MANOR WAY	2016/17	Y
		INT16D-E30 FORSYTHIA CLOSE	2016/17	Y
WATTSVILLE	49	Contract not yet created		N
		INT15D-E21 ISLWYN ROAD	2015/16	Y
WAUNFACH	17	INT18D-L47 WAUNFACH	2018/19	N
WESTEND	12	INT15D-E24 RAILWAY TERRACE/TROEDYRHIW	2015/16	Y
YNYSDDU-CWMFELINFACH	41	Contract not yet created		N
		INT18C-EC78 YNYSDDU-CWMFELINFACH	2018/19	N
YSTRAD MYNACH	48	INT14D-U13 BRYNMYNACH AVE/COED YR HAF	2014/15	Y
		INT14D-U14 CENTRAL/EDWARD/GRIFFITHS/HILL/PANTYCELY	2014/15	Y

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# Agenda Item 4

## Appendix 2 - Part 2

### WHQS - External Works Programme

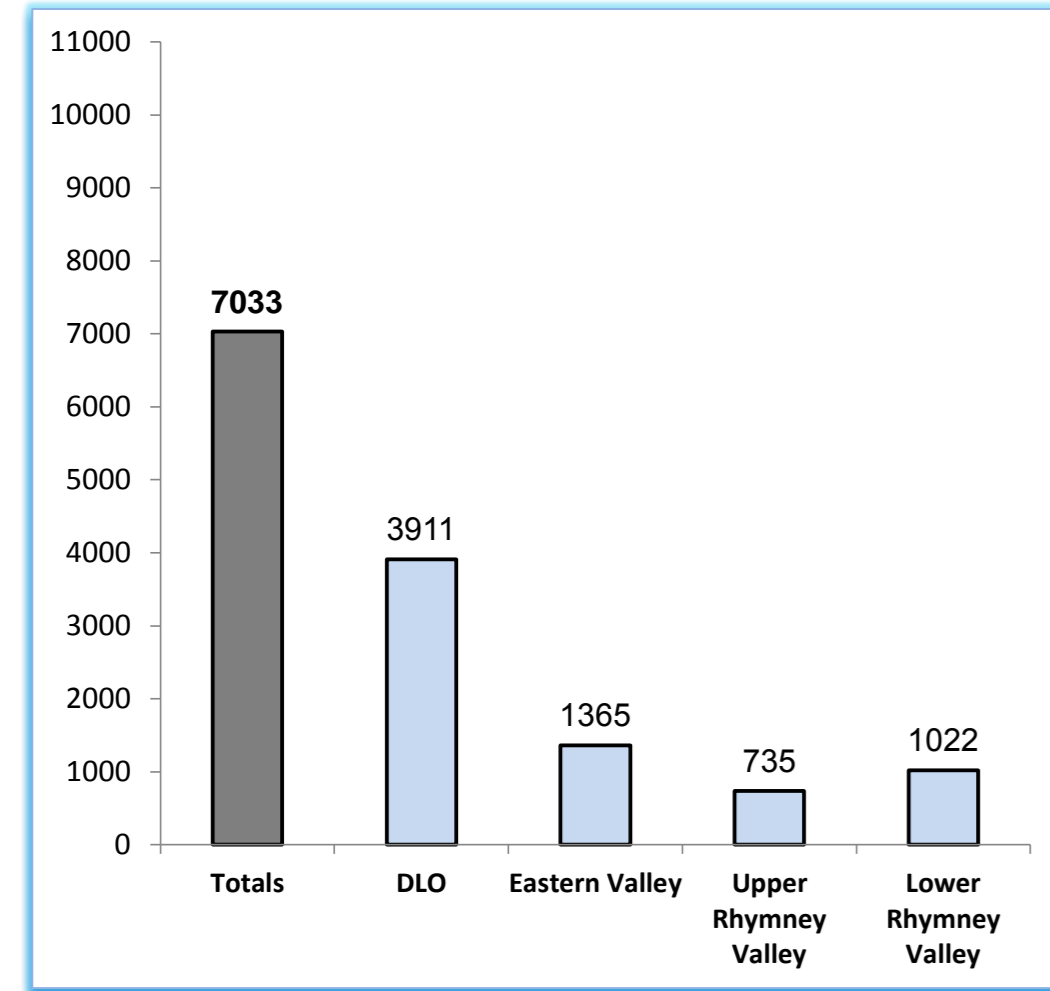
Community Area	External Contract Name	External	Number of	Contract
ABERBARGOED LOWER	EXT17C-U18 ABERBARGOED LOWER	2017/18	36	N
ABERBARGOED MIDDLE	EXT17C-U19 ABERBARGOED MIDDLE	2017/18	88	N
ABERBARGOED UPPER	EXT18C-UC28 ABERBARGOED UPPER	2018/19	184	N
ABERCARN	SH_EXT18D-ES05 GWYDDON RANKS	2018/19	37	N
ABERTRIDWR	EXT14D-L01 ABERTRIDWR	2014/15	75	N
ABERTYSSWG	EXT16C-U13 ABERTYSSWG	2016/17	51	Y
ARGOED	EXT14C-E06A ARGOED	2014/15	9	Y
	EXT14C-E06B ARGOED	2014/15	21	Y
BARGOED	EXT16C-U15 BARGOED	2016/17	130	N
	SH_EXT18D-US05 ST GWLADYS	2018/19	21	N
BEDWAS	EXT16C-LC04 BEDWAS	2016/17	82	N
	SH_EXT17D-LS02 THE WILLOWS	2017/18	29	N
BLACKWOOD	EXT17C-E03A BLACKWOOD	2017/18	39	N
	EXT17C-E03B BLACKWOOD	2017/18	78	N
	EXT17C-E03E BLACKWOOD	2017/18	18	N
	EXT18C-E03C BLACKWOOD	2018/19	12	N
	EXT18C-E03D BLACKWOOD	2018/19	2	N
	EXT18C-EC31 BLACKWOOD PHASE 6	2018/19	120	N
	SH_EXT17D-ES01 GIBBS CLOSE/PALMERS PLACE	2017/18	37	N
BRITANNIA	EXT17C-EC22 BRITANNIA	2017/18	83	N
BRYNCENYDD	EXT16C-LC19 TY ISAF/BRYNCENYDD	2016/17	31	N
CAERBRAGDY	EXT18C-LC38 CAERBRAGDY	2018/19	24	N
CASCADE	EXT18C-UC29 TIRYBERTH-CASCADE-PENPEDAIRHEOL-PENYBR	2018/19	72	N
CEFN FFOREST	EXT18C-EC33 CEFN FFOREST	2018/19	324	N
CEFN HENGOED	EXT15C-U12 CEFN HENGOED	2015/16	61	Y
CHURCHILL PARK	EXT18C-LC39 CHURCHILL PARK	2018/19	100	N
	SH_EXT17D-LS01 GLYN DERW	2017/18	32	N
CROESPENMAEN	EXT15C-E12 CROESPENMAEN	2015/16	29	Y
DERI	EXT17C-U20 DERI	2017/18	4	N
	EXT17C-U27 YSGWYDDGWYN	2017/18	24	N
FAIRVIEW	EXT17C-EC23 FAIRVIEW	2017/18	31	N
FLEUR-DE-LYS	EXT17C-EC24 FLEUR-DE-LYS	2017/18	46	N
FOCHRIW	EXT16C-U16 FOCHRIW	2016/17	150	N
GELLIGAER	EXT15C-U04 ANEURIN BEVAN AVE / HEOL CATTWG	2015/16	24	N
	EXT15C-U05 CLAERWEN/GAER PLACE/DAN Y GAER	2015/16	26	N
	EXT15C-U06 CHURCH RD/HEOL ED LEWIS/PENALLTA/PENY	2015/16	27	N
	EXT15C-U07 HEOL Y WAUN/ST CATTWGS/WAUN RHYDD	2015/16	48	N
	EXT15C-U08 GREENHILL PLACE / HAMAN PLACE	2015/16	7	N
	SH_EXT17D-US01 WAUN RHYD	2017/18	15	N
GELLIGROES	SH_EXT18D-ES07 TY MYNYDDISLWYN	2018/19	30	N
GILFACH LOWER	EXT16C-U14 GILFACH LOWER	2016/17	60	N
GILFACH PHASE 1 GIL1	EXT17C-U21 GILFACH PHASE 1 GIL 1	2017/18	19	N
	SH_EXT18D-US04 OAKLANDS	2018/19	31	N
GILFACH PHASE 2	EXT17C-U21 GILFACH PHASE 1 GIL 1	2017/18	19	N
	EXT17C-U22 GILFACH PHASE 2	2017/18	164	N
GILFACH PHASE 3	EXT18C-UC32 GILFACH PHASE 3 - HOUSES	2018/19	116	N
HENGOED	EXT17C-U23 HENGOED	2017/18	75	N
HEOL TRECATELL	EXT14D-L03 HEOL TRECATELL	2014/15	17	N
HIGHMEADOW	EXT15C-E14 HIGHMEADOW	2015/16	23	Y
LANSBURY PARK	EXT17C-LC20 LANSBURY PARK - PHASE 1	2017/18	162	N
	EXT17C-LC20B LANSBURY PARK - PHASE 2	2017/18	184	N
LLANBRADACH	EXT17C-LC21 LLANBRADACH	2017/18	16	N
LLANFACH	EXT16C-E08 PERSONDY/WESTEND/LLANFACH	2016/17	65	N
MACHEN	EXT18C-LC05 MACHEN	2018/19	50	N
MAESYCWMMER	EXT17C-U24 MAESYCWMMER	2017/18	75	N
	SH_EXT17D-US03 Y GLYN	2017/18	37	N
MARKHAM-HOLLYBUSH	EXT14C-E01A MARKHAM HOLLYBUSH PHASE 1	2014/15	47	Y
	EXT14C-E01B MARKHAM HOLLYBUSH PHASE 1	2014/15	22	Y
	EXT14C-E07 MARKHAM HOLLYBUSH PHASE 2	2014/15	52	Y
MORRISVILLE	EXT16C-E05 MORRISVILLE / WATTSVILLE	2016/17	38	N
NEW TREDEGAR	EXT15C-U03 TIR PHIL / NEW TREDEGAR	2015/16	73	N
	EXT16C-U03B JUBILEE ROAD	2016/17	29	N
	EXT18C-UC35 TIRPHIL/NEW TREDEGAR - MOP UP	2018/19	8	N
	SH_EXT17D-US02 GLYNSYFI	2017/18	32	N
NEWBRIDGE	EXT19C-E04 NEWBRIDGE / TROWEN	2019/20	77	N
OAKDALE	EXT14C-E02A OAKDALE	2014/15	19	Y
	EXT14C-E02B OAKDALE	2014/15	19	Y
	EXT14C-E02C OAKDALE	2014/15	17	Y
	EXT14C-E02D OAKDALE	2014/15	18	Y
PANTSIDE LOWER	EXT17C-EC25 PANTSIDE LOWER	2017/18	156	N
	EXT17C-EC30 ST PETER CLOSE/TIR Y PWLL TCE	2017/18	29	N
	SH_EXT18D-ES04 ST PETER CLOSE	2018/19	29	N
PANTSIDE UPPER	EXT17C-EC26 PANTSIDE UPPER	2017/18	77	N
PENGAM	EXT17C-EC27 PENGAM	2017/18	28	N
PENLLWYN LOWER	EXT15C-E10A PENLLWYN UPPER	2015/16	102	N
	EXT17C-EC28 PENLLWYN LOWER	2017/18	71	N
PENLLWYN UPPER	EXT15C-E10A PENLLWYN UPPER	2015/16	102	N
	EXT15C-E10B PENLLWYN UPPER	2015/16	72	N
	EXT15C-E10C PENLLWYN UPPER	2015/16	79	N

PENPEDAIRHEOL	EXT18C-UC29 TIRYBERTH-CASCADE-PENPEDAIRHEOL-PENYBR	2018/19	72	N
PENTWYNMAWR	EXT15C-E13 PENTWYNMAWR	2015/16	34	Y
	SH_EXT18D-ES08 MAESTEG	2018/19	27	N
PENYBRYN	EXT18C-UC29 TIRYBERTH-CASCADE-PENPEDAIRHEOL-PENYBR	2018/19	72	N
PENYRHEOL LOWER	EXT17C-LC22 PENYRHEOL LOWER	2017/18	130	N
	SH_EXT18D-LS03 PLEASANT PLACE	2018/19	31	N
PENYRHEOL UPPER	EXT17C-LC20B LANSBURY PARK - PHASE 2	2017/18	184	N
	EXT17C-LC22 PENYRHEOL LOWER	2017/18	130	N
	EXT18C-LC41 PENYRHEOL UPPER	2018/19	277	N
PERSONDY	EXT16C-E08 PERSONDY/WESTEND/LLANFACH	2016/17	65	N
PHILLIPSTOWN	EXT15C-U01 PHILLIPSTOWN	2015/16	159	Y
	EXT18C-UC34 PHILLIPSTOWN - FOLLOW UP	2018/19	159	N
PONTLOTTYN	EXT16C-U09 BRYNGLAS/BRYNHIFYRD	2016/17	71	N
	EXT16C-U10 PONTLOTTYN PHASE 1	2016/17	9	N
	EXT16C-U11 PONTLOTTYN PHASE 2	2016/17	23	N
PONTYMISTER	EXT16C-E20 PONTYMISTER	2016/17	142	N
PONTYWAUN	EXT16C-E19B PONTYWAUN / RISCA PHASE 2	2016/17	33	N
PWLLYPANT	EXT16C-LC12 PWLLYPANT / WAUNFACH	2016/17	38	N
RHYMNEY NORTH	EXT17C-U25A RHYMNEY NORTH	2017/18	168	N
	EXT17C-U25B RHYMNEY NORTH	2017/18	78	N
RHYMNEY SOUTH	EXT17C-U26 ST CLARES	2017/18	32	N
RISCA	EXT16C-E19A PONTYWAUN / RISCA PHASE 1	2016/17	87	Y
	EXT16C-E19B PONTYWAUN / RISCA PHASE 2	2016/17	33	N
RUDRY	EXT15C-LC06 RUDRY/TRAPWELL	2015/16	13	N
SENGHENYDD	EXT16C-LC14 SENGHENYDD	2016/17	47	N
SPRINGFIELD	EXT15C-E11A SPRINGFIELD PHASE 1	2015/16	64	N
	EXT15C-E11B SPRINGFIELD PHASE 2	2015/16	55	N
	EXT15C-E11C SPRINGFIELD PHASE 3	2015/16	101	N
TIRPHIL	EXT15C-U03 TIR PHIL / NEW TREDEGAR	2015/16	73	N
	EXT16C-U03B JUBILEE ROAD	2016/17	29	N
TIRYBERTH	EXT18C-UC29 TIRYBERTH-CASCADE-PENPEDAIRHEOL-PENYBR	2018/19	72	N
TRAPWELL	EXT15C-LC06 RUDRY/TRAPWELL	2015/16	13	N
TRECENYDD	EXT16C-LC13 TRECENYDD	2016/17	135	N
TRELYN UPPER	EXT17C-EC29 TRELYN UPPER	2017/18	79	N
TREOWEN	EXT19C-E04 NEWBRIDGE / TREOWEN	2019/20	77	N
TRETTHOMAS	SH_EXT18D-LS04 GROVE PLACE 1	2018/19	30	N
	SH_EXT18D-LS05 GROVE PLACE 2	2018/19	29	N
TRINANT	EXT16C-E16 TRINANT PHASE 1	2016/17	120	N
	EXT16C-E17 TRINANT PHASE 2	2016/17	84	Y
	SH_EXT17D-ES03 HOREB COURT	2017/18	20	N
TWYN GARDENS	EXT18C-EC32 TWYN GARDENS	2018/19	37	N
TY ISAF	EXT16C-LC19 TY ISAF/BRYNCENYDD	2016/17	31	N
TY-SIGN LOWER	EXT16C-E18 TY SIGN LOWER	2016/17	103	N
WATTSVILLE	EXT16C-E05 MORRISVILLE / WATTSVILLE	2016/17	38	N
	SH_EXT18D-ES06 WOODLAND VIEW	2018/19	21	N
WESTEND	EXT16C-E08 PERSONDY/WESTEND/LLANFACH	2016/17	65	N
YNYSDDU-CWMFELINFACH	EXT15C-E09 YNYSDDU / CWMFELINFACH	2015/16	22	Y
YSTRAD MYNACH	EXT18C-UC30 YSTRAD MYNACH	2018/19	32	N

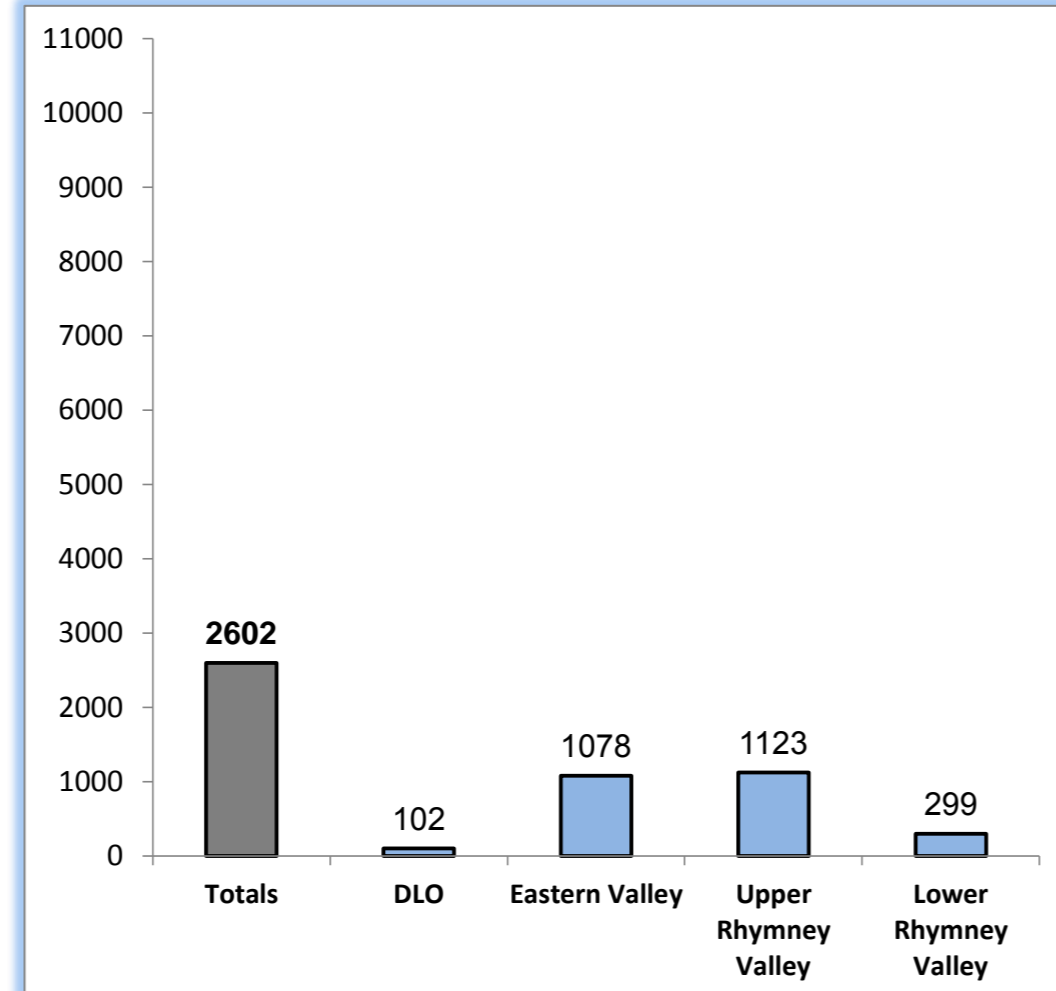
**WHQS - PERFORMANCE SCORECARD - LEVELS OF COMPLIANCE**

(Standards Met - by Number of Properties)

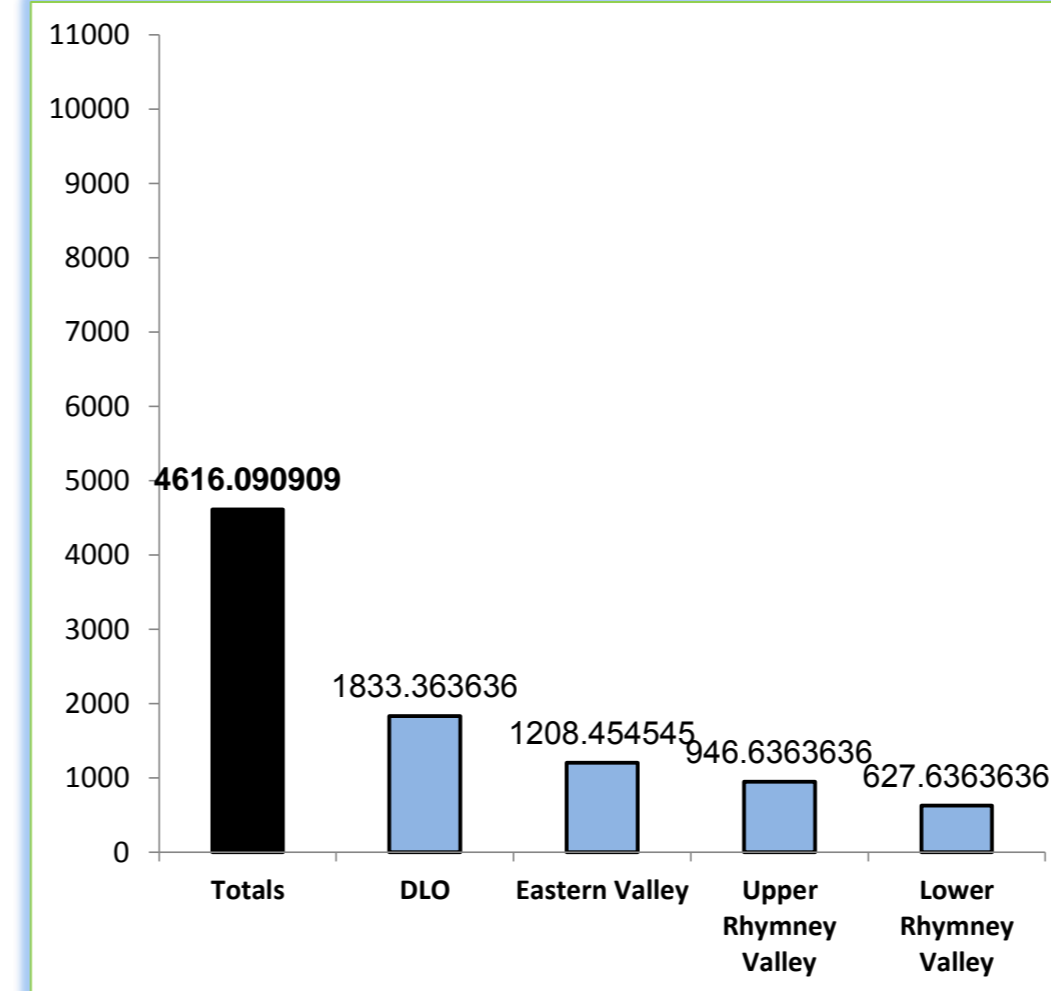
**WHQS - \*INTERNAL Works Programme  
Proportionate Compliance**



**WHQS - ~ EXTERNAL Works Programme  
Proportionate Compliance**

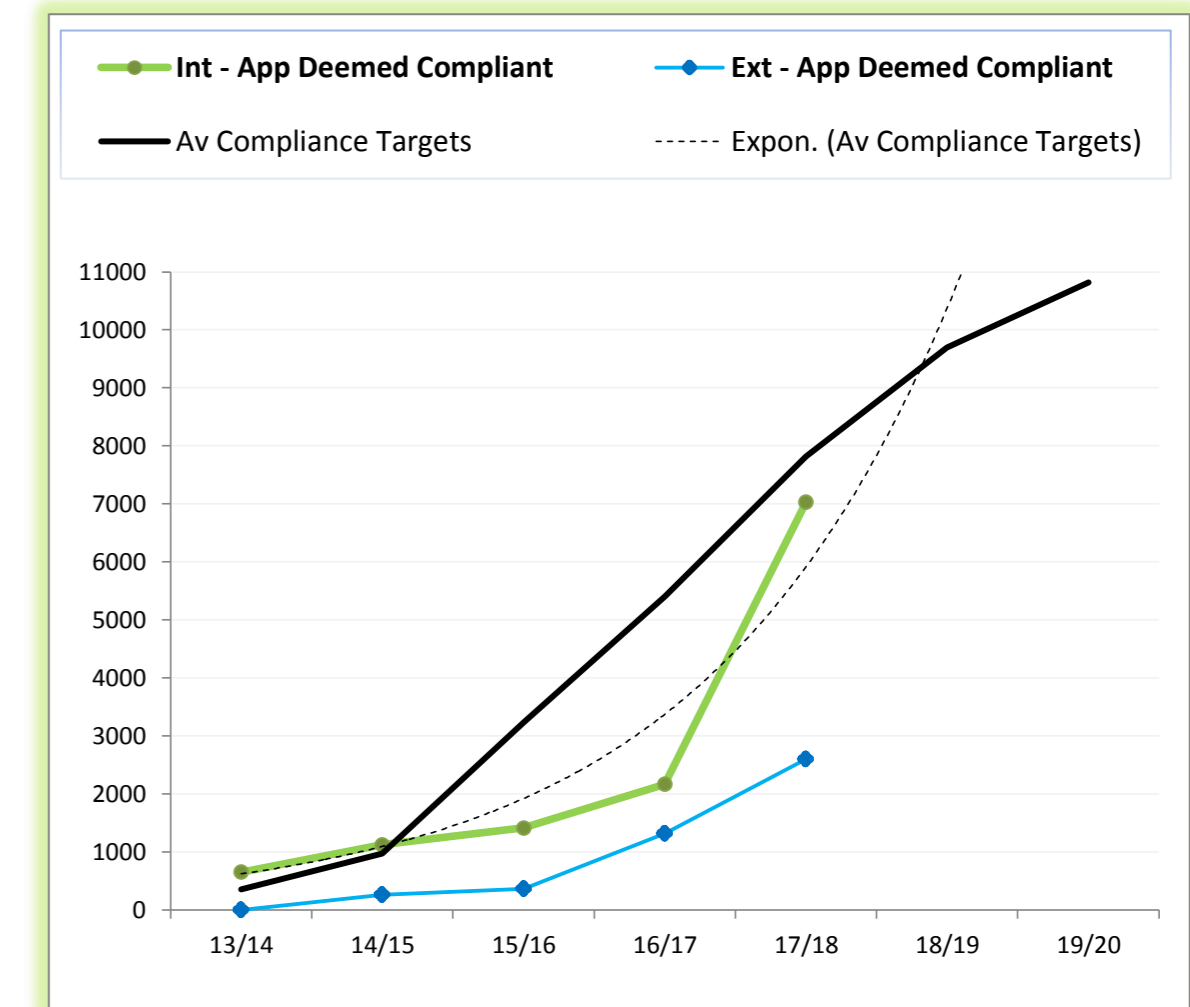


**WHQS - INTERNAL & EXTERNAL  
Proportionate Compliance (to date)**



**WHQS - INTERNAL & EXTERNAL - Proportionate Completed Works:**

**Number of properties progressing towards -> Total Compliance**



**Notes.**

Work schedules are delivered in a 'phased' (blocks of work) approach across each of the three regions.

Delivered works are reported by surveyors/contractors upon 'property completions' (not upon completions of individual components of work).

Data is collated at site level: Operatives report on completions to site Clerk of Works/Surveyors, who report completions to the Housing Office Operational/Project (Region) Managers, who report completions to the Housing Performance Team for final analysis and reporting purposes.

Completions status indicator (Component boxes):

Red = <= 50%  
 Amber = > 50.1% < 79.9%  
 Green = >= 80%

Financial Programme	12/13	13/14	14/15	15/16	16/17	17/18 Projected	18/19 Projected	19/20 Projected
Budget (£,000's)	19,100	48,320	77,990	107,660	136,880	166,100	195,320	220,000
Actual Spend	19,057	33,707	49,051	77,683	109,061	162,643	203,259	222,429
Balance	43	14,613	28,939	29,977	27,819	3,457	-7,939	-2,429

The above finance table details accumulative budget allocations and spend profiles to date, which are subject to annual review and re-profiling.

The charts above, have been based on properties surveyed, improvement works undertaken, post-works inspections and portfolio updates,

focusing on the following WHQS key components:

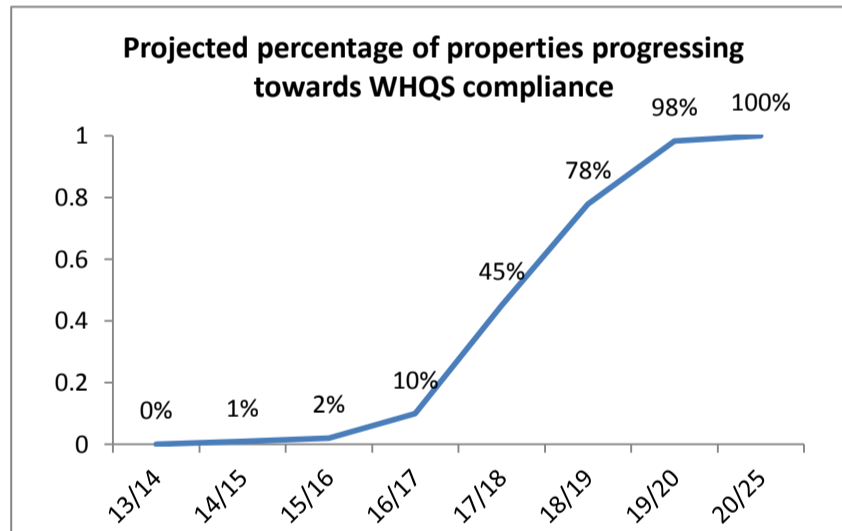
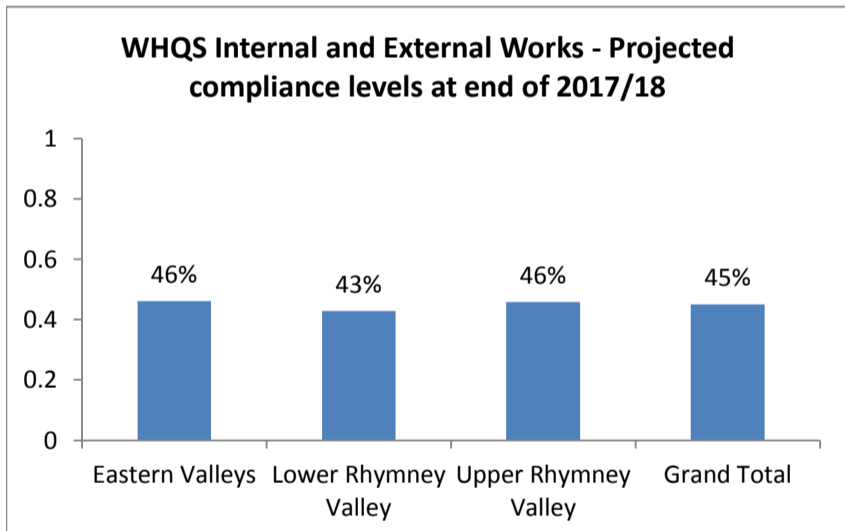
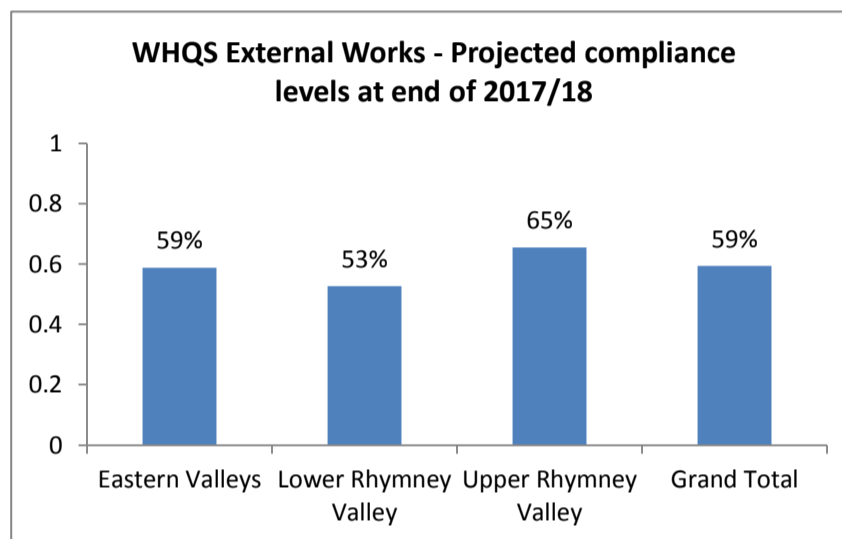
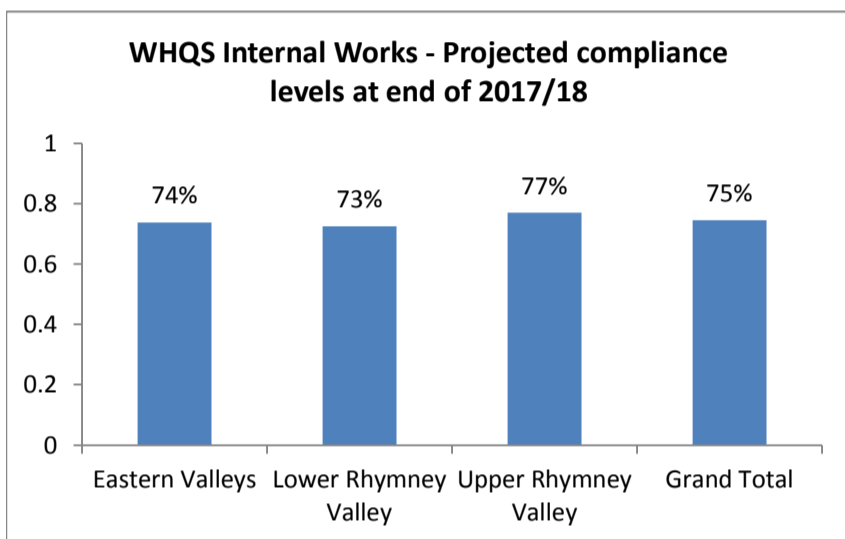
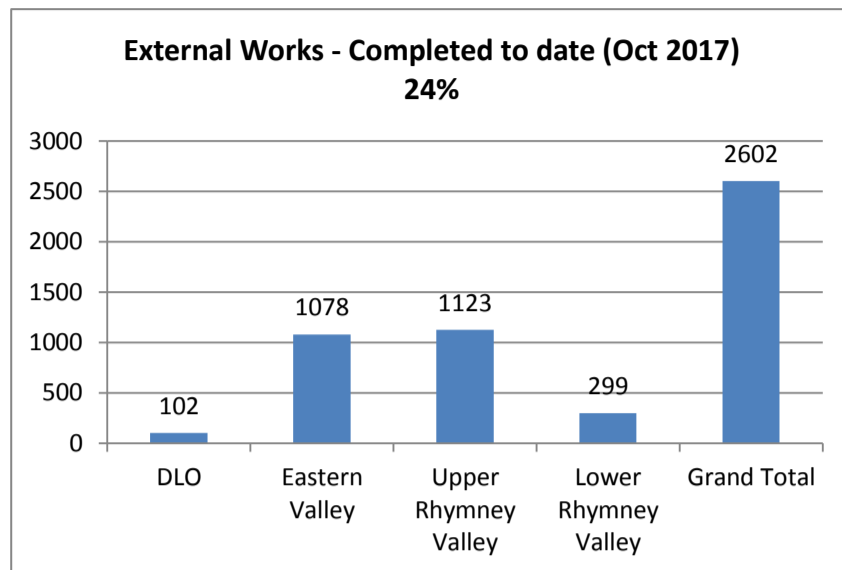
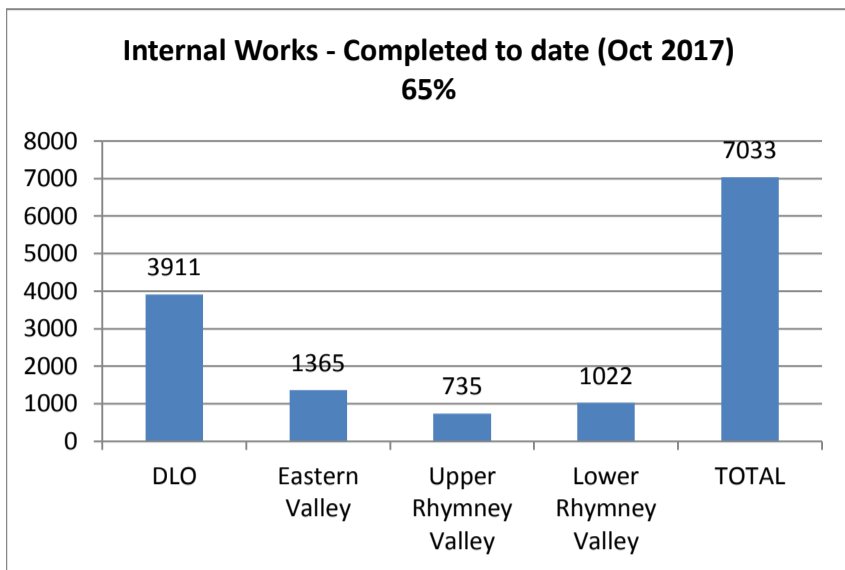
**Internal Works:** Kitchens, Bathrooms, Boilers and Central Heating, Electrical Systems (wiring), Mains - Smoke Detectors.

**External Works:** Roofs, Walls, Windows, External Doors, Insulation, Paths/Fences/Gardens.

Other specialist works/improvements are also undertaken in conjunction with the WHQS Programme, such as 'Adaptations'.

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Actual Compliance to date 10.2%

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Recommendations	Actions	Owner	Progress/ Due Date
<p><b>Recommendation 1</b></p> <p>Develop a comprehensive, overarching, financial and operational programme setting out how the Council will achieve WHQS by 2020.</p>	<ol style="list-style-type: none"> <li>1. Ensure that the Keystone Asset Database provides up to date survey information.</li> <li>2. Review projected programme costs by replacing Savill’s estimates with more accurate actual costs based on recently completed contract information.</li> <li>3. Amend existing programme in order to reflect communities where work has been completed, is currently ongoing or is planned. Programme to also incorporate a breakdown of the communities to clarify which streets are included.</li> <li>4. Ensure adequate resources to enable surveys to be completed at the earliest opportunity in order to better inform future investment requirements and budget forecasting.</li> </ol>	<p>MRL</p> <p>LA</p> <p>MRL</p> <p>MRL</p>	<p>Sept 2017/ Completed</p> <p>Sept 2017/ Completed</p> <p>Sept 2017</p> <p>Ongoing</p>
<p><b>Recommendation 1a</b></p> <p>Review procurement arrangements to ensure value for money.</p>	<ol style="list-style-type: none"> <li>1. Ensure adequate procurement arrangements are in place to cover all aspects of the programme.</li> <li>2. Undertake an independent benchmarking exercise in relation to the single source supply arrangement to assess value for money.</li> <li>3. Undertake an exercise to compare costs of the in-house workforce to those of external contractors, whilst also considering quality and performance to determine value for money.</li> <li>4. Introduce a flexible Dynamic Purchasing System for the external works in the lower Rhymney valley, whilst also providing options to deliver contracts for internal and external works throughout the borough.</li> </ol>	<p>MRL</p> <p>KRW</p> <p>MRL</p> <p>MRL</p>	<p>April 2017/ Completed</p> <p>March 2018</p> <p>March 2018</p> <p>April 2017/ Completed</p>

	5. Contracts for internal works are in place until 2020 and were procured in open competition. External work packages are tendered individually from existing frameworks and more recently the D.P.S. Tenders are evaluated on receipt and if deemed to be uncompetitive, the work is re-tendered in an attempt to improve value for money.	MRL	Ongoing
<b>Recommendation 1b</b> Provide clear and transparent information to members and tenants about the current position of the programme and a commitment to stakeholders with accurate projected completion dates.	1. Review existing programme information being provided to members and tenants and amend this to ensure it is accurate, easily understood and timely.	MRL	March 2018
	2. Review the way performance information is presented to all stakeholders to ensure that this provides a good overview on the progress of the overall programme is easily understood and timely.	SC/MRL	Dec 2017
<b>Recommendation 1c</b> Secure the resources needed to deliver the programme by 2020.	1. Business case approved for the appointment of additional staff and operatives to support the in-house team in view of the additional work they will be undertaking to deliver WHQS works to our sheltered housing schemes.	MRL	April 2017/ Completed
	2. Business case approved for the appointment of Surveyors/Clerks of Works to support the delivery of the external works programme following the implementation of the DPS.	MRL	April 2017/ Completed
	3. Use of agency workers ongoing to supplement directly employed staff as workforce will need to reduce post 2020.	MRL	Ongoing
	4. Introduction of DPS has provided an additional pool of contractors to deliver all aspects of the programme and to act as a contingency in case any issues are encountered with existing contracts.	MRL	April 2017/ Completed
	5. Use of other in-house teams, both within and outside Caerphilly Homes, has been implemented to provide further assistance and resources for the delivery of the programme, e.g. Housing Repair	SC/MRL	Ongoing

	<p>Operations, Network Contracting Services, Highways Operations Group, Grounds Maintenance.</p> <p>6. Additional financial resources being sourced to assist with the delivery of the programme and to provide additional improvements to the housing stock and communities, e.g. ECO, Arbed, V.V.P.</p>	MRL/JRW	Ongoing
<p><b>Recommendation 2</b></p> <p>Assure itself that the Council is meeting its statutory landlord responsibilities in relation to gas servicing.</p>	<p>1. The Council's performance in relation to gas servicing averages 98% which results in approximately 200 properties not having a valid gas safety certificate, which has been identified as an issue with no access. A review of the no access procedure has been undertaken.</p> <p>2. To improve compliance the gas servicing cycle will be changed to operate on a 10 month cycle rather than the existing 11 months.</p> <p>3. To reduce issues with no access, a charge will be introduced for tenants who fail to provide access at the appointment time.</p> <p>4. The timescales for issuing letters to tenants seeking access will be reduced and if required a Notice of Seeking Possession will be issued prior to the expiry of the gas certificate.</p> <p>5. Failure to provide access during the NOSP period will result in arrangements being made to force entry, with the tenant being provided with advanced notice of such action.</p>	<p>SC</p> <p>PS</p> <p>PS</p> <p>Housing Managers</p> <p>Housing Managers/ PS</p>	<p>July 2017/ Completed</p> <p>Sept 2017/ Completed</p> <p>August 2017/ Completed</p> <p>August 2017/ Completed</p> <p>Sept 2017/ Completed</p>
<p><b>Recommendation 2a</b></p> <p>Ensure that arrangements for undertaking asbestos surveys and recording the results of these surveys, is robust.</p>	<p>1. Review the accuracy and timeliness of asbestos information being recorded within the Keystone Asset Database.</p> <p>2. Ensure that all relevant staff have access to asbestos records to ensure these are checked prior to commissioning surveys.</p> <p>3. Submit a business case to appoint a Technical/Admin Officer to input surveys and cleanliness certificates into Keystone in a timely manner, and also act as a central point of contact.</p>	<p>PS</p> <p>PS</p> <p>PS</p>	<p>August 2017/ Completed</p> <p>Dec 2017/ Completed</p> <p>August 2017/ Completed</p>

<p><b>Recommendation 3</b></p> <p>Ensure the Council has sufficient project management capacity to deliver the WHQS programme by 2020.</p>	<ol style="list-style-type: none"> <li>1. Business case approved for the appointment of additional resources, allowing recruitment to take place as and when required.</li> <li>2. Project management of the sheltered housing programme being carried out by the in-house team following consultation with tenants.</li> <li>3. Project management of various aspects of the programme is being undertaken by other services to spread workload and maximise use of existing resources, e.g. work to leaseholder properties being managed by Private Sector Housing, WHQS work to voids and statutory maintenance being undertaken by Housing Repair Operations Team, environmental programme being progressed by utilising services of Grounds Maintenance, Highways Operations Group, Network Contracting Services.</li> <li>4. A restructure of Caerphilly Homes to be undertaken to further improve integration and better align key functions with the aim of improving capacity to support the programme.</li> </ol>	<p>MRL</p> <p>MRL</p> <p>SC/MRL</p> <p>SC</p>	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p>
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**Shaun Couzens**  
**Prif Swyddog Tai/Chief Housing Officer**

October 2017

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Mr Chris Burns  
Chief Executive  
Caerphilly County Borough Council  
Penallta House  
Tredomen Park  
Ystrad Mynach  
CF82 7PG

**Reference** CCBC/AAL/1617  
**Date** 8 December 2017  
**Pages** 1 of 2

Dear Mr Burns

**Annual Audit Letter – Caerphilly County Borough Council 2016-17**

This letter summarises the key messages arising from our statutory responsibilities under the Public Audit (Wales) Act 2004 and our 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 us 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 we 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 3 August 2017 we 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. Our 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 our Audit of Financial Statements report on the 25 July 2017.

- The Council continues to demonstrate effective arrangements in the preparation of its financial statements, enabling us to conclude our audit on 31 July 2017, significantly ahead of the statutory deadline of 30 September. The Council has continued to provide good quality draft financial statements and accompanying working papers for audit. These were available for us to commence our audit fieldwork in line with the agreed timetable.
- One misstatement of £629,000 remained uncorrected at the conclusion of the audit. This was communicated to officers and those charged with governance and has been subsequently corrected in the 2017-18 financial year.
- There were a number of misstatements that were corrected by management. These were mainly disclosure in nature, principally relating to the Expenditure and Funding analysis note and the financial instruments note. All disclosure corrections were processed with no effect on the Council's reported outturn position.
- We identified seven recommendations in relation to the Annual Governance Statement, internal journal controls and depreciation, the latter of which was also reported last year.

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

Our 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 under the Local Government (Wales) Measure 2009. The Auditor General will highlight areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made when he publishes his Annual Improvement Report.

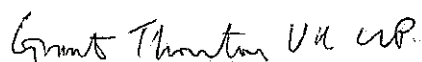
**We issued a certificate confirming that the audit of the accounts was completed on 3 August 2017.**

**Our work to date on certification of grant claims and returns has not identified significant issues that would impact on the 2016-17 accounts or key financial systems.**

A more detailed report on our grant certification work will follow in January 2018 once this year's programme of certification work is complete.

The financial audit fee for 2016-17 is currently expected to be in line with the agreed fee set out in the Annual Audit Plan.

Yours sincerely



**Grant Thornton UK LLP**  
**For and on behalf of the Auditor General for Wales**



## CORPORATE GOVERNANCE PANEL MINUTES 4th August 2017 Executive Boardroom 11.00 a.m.

Panel Members: Nicole Scammell, Cllr. B Jones, Gail Williams, Paul Lewis, Rob Hartshorn, Richard Harris.

### 1. **APOLOGIES**

Apologies were received from Nicole Scammell.

### 2. **MINUTES**

The minutes of the meeting held on the 28.4.2017 were agreed as accurate.

### 3. **UPDATE ON FINAL VERSION OF AGS**

RH updated the Panel on the last minute amendments that were made to the draft AGS following the Audit Committee and suggestions made by Grant Thornton as a result of their audit work. RH explained that in paragraph 5.3 a sentence was added to provide an overall summation of the governance position which also provides some context to the areas identified for improvement.

An additional area for improvement has been included, following discussions at the Audit Committee, which is in connection with the timeliness of completing some of the agreed actions in respect of external regulator recommendations. Four specific work strands have been identified and included for ongoing monitoring by the Panel.

Following discussion of the individual issues it was agreed that officers responsible for each of the four topics be contacted by RH to make them aware that the Panel would be monitoring progress and reporting such to the Audit Committee. A meeting of the Panel would also be arranged for October so that the Panel can be formally updated on progress.

### 4. **AREAS FOR THE PANEL TO CONSIDER ARISING FROM GRANT THORNTON AUDIT WORK**

RH introduced two other suggestions made by Grant Thornton,

4.1 The production of an action plan of measureable actions to address each of the areas for improvement identified in the AGS. RH explained that the creation of an action plan setting out the required measures to address the identified areas for improvement would be a useful tool in assisting the Panel to monitor progress and in making the decision to remove an issue off the AGS. RH suggested that a previous template used by the panel could be reintroduced and could form a standing item on future agendas. The panel agreed that the template would be used to record and monitor actions identified to address the areas for improvement. RH to liaise with the relevant officers to complete the initial population of the template for the Panel to review at the next meeting. RH also asked whether it was felt the action plan should form part of the AGS and following discussions it was agreed that it was not considered appropriate to include such detail in the statement.

4.2 Undertaking an assessment of compliance with our agreed Code of Corporate Governance. RH explained the rationale behind this proposal and provided a draft document that could easily be populated by the relevant officers and then used to gauge any areas where the panel should focus its attention on. It was agreed to undertake the assessment as discussed and the document could be reviewed at the next meeting.

## **5. UPDATE ON PROGRESS WITH THE ORIGINAL TWO AREAS FOR IMPROVEMENT**

5.1 Joanne Jones updated the Panel that most Service Areas had completed 3 key preparation tasks since 2016 (update the service's Information Asset Register; update corporate list of information sharing arrangements; and undertake an audit of what privacy notices currently exist). Some Service Areas had not yet completed these initial tasks which is concerning as further work is now required. CGP agreed that a reminder to all Service areas to complete these tasks by 31 Oct should be issued, with higher-risk Service Areas closely monitored. JJ also described the next tasks required of Service Areas to ensure they are prepared for GDPR, and talked through awareness raising activities to date.

PL emphasised that making sure information is properly managed is the responsibility of every Head of Service as Information Asset Owner. Questions were raised on how to monitor completion of elearning and it was stated that managers can currently look at iTrent for details but that this is not straightforward to check compliance across a number of individuals. PL has already initiated activity on this front and IT and HR are looking at whether a bespoke report can be written to simplify this for managers and offer team views.

5.2 GW informed the group of the background concerns that led to including this item on the AGS. A template spreadsheet has been produced which in future will be maintained and used to monitor compliance with the agreed arrangements. NS has agreed the template and it will now be going to CMT to become part of the regular monitoring regime. It was agreed that a further update will be provided at the next meeting.

## **6. DRAFT CODE OF CORPORATE GOVERNANCE and DRAFT REVISED TERMS OF REFERENCE FOR PANEL**

RH reminded the panel that both documents will be going to the next Audit Committee and asked if anyone had any last minute changes or comments to let RH know by the end of the next week.

## **7. AUDIT COMMITTEE FORWARD WORK PROGRAMME**

There were no additional items or comments in respect of the current version of the forward work programme.

## **8. A.O.B.**

GW indicated that the next meeting will be in October to enable the panel to review the action plan and the Code comparison and the updated progress made on the areas for improvement. RH to arrange with Leigh Brook.