



## **POLICY AND RESOURCES SCRUTINY COMMITTEE – 6TH JUNE 2017**

**SUBJECT: YEAR END PERFORMANCE REPORT FOR CORPORATE SERVICES  
2016/17**

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

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

- 1.1 To provide Members with a performance update for Corporate Services. This involves taking a look back over the last twelve months of our performance highlighting the exceptions and then looking forward i.e. future challenges, setting out our key objectives/priorities for the next twelve months, identifying areas for improvement.

### **2. SUMMARY**

- 2.1 During 2016/17 there was evidence of excellent performance, but also areas of poorer performance. Members are reminded that it is important for officers to take an honest approach to this process to ensure areas that require improvement are identified and supported. 2017/18 will continue to be driven by the need to deliver better services with less resource, but against the backdrop of the Local Government Reform Agenda.

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

- 3.1 Corporate Services provide direct and indirect support to all of the Corporate Priorities and Well-Being Objectives.
- 3.2 The Well-Being of Future Generations (Wales) Act 2015 places a number of legal duties on public bodies in Wales to meet the legally binding 'common purpose' for 7 National Well-Being goals. This report links into each goal as follows (this has been based on an incremental approach/view):-
- A sustainable Wales – delivering services in accordance with available resource. Reducing assets to a sustainable level. Maximising income collection to support service provision. Ensuring the most appropriate use of our third party spend to address sustainable alternative goods and material whilst developing and enhancing local supply chains.
  - A prosperous Wales – prompt processing of Council Tax and Housing Benefits, ability of residents to access key services and support either digitally or face-to-face via customer contacts. Effective use of third party spend to foster engagement of local supply chains which will facilitate regeneration opportunities in and around the borough. Effective use of appropriate Community benefits will support jobs and community engagement.

- A Healthier Wales – no direct links to Corporate Services, although support is provided to those front line services that deliver this goal. Ensure where appropriate all contracts reflect requirements which contribute to the Healthy Wales agenda.
- A more equal Wales – ensuring all groups including vulnerable and hard to reach have access to the Authority. Procurement, Customer Services and IT play a key role.
- A Wales of cohesive communities –Corporate Services facilitates the delivery of this goal via front line services.
- A Wales of vibrant culture and thriving Welsh language – compliance with Welsh language standards.
- A globally responsible Wales – rationalisation of assets should reduce carbon footprint. Developing sustainable supply chains who are globally and socially responsible will assist with the over-arching principles.

#### 4. THE REPORT

4.1 A summary is provided for each service area of Corporate Services below.

#### 4.2 **Corporate Finance**

##### 4.2.1 **Overview**

The services provided by Corporate Finance are essentially twofold. The Council Tax/Business Rates, Housing Benefit/Council Tax Reduction and Income Sections provide front-line services to the public. In addition to this, a range of support services are provided to every Directorate of the Council and these include Accountancy, Treasury Management, Payments, Insurance & Risk Management and Internal Audit.

Corporate Finance has 165 full-time equivalent (FTE) staff, split 81 FTE frontline and 84 FTE support services. Some staff are based in the larger Council Directorates enabling the delivery of some financial services to be devolved.

##### 4.2.2 **What Went Well?**

- a) The various teams within Corporate Finance continued to perform well during the 2016/17 financial year and all statutory targets were met. This has been achieved against a backdrop of continuing downsizing in many teams to address budget cuts.
- b) The various Corporate and seconded Accountancy Teams have played a pivotal role in supporting Heads of Service to identify and develop savings proposals to support the Council's Medium-Term Financial Plan (MTFP). This working relationship has been crucial in recent years due to the need to respond to unprecedented cuts in funding.
- c) Effective financial planning and robust budget monitoring arrangements have helped the Authority to manage its financial affairs. We have continued the trend of delivering balanced budgets and identifying some savings in advance of need. However, this is becoming far more challenging as the programme of austerity continues.
- d) The following table provides a summary of the key performance measures for Corporate Finance: -

Description	2014/15		2015/16		2016/17	
	Target	Actual	Target	Actual	Target	Actual
Percentage of total Council Tax due for the financial year received by the Authority.	96.5%	96.7%	96.8%	97%	97.1%	97.1%
Percentage of total	97%	97%	97.2%	97.7%	97.9%	97.9%

non-domestic rate (NNDR) due for the financial year received by CCBC.						
Average time taken in days to process housing benefit change events and new claims.	14	9.90	14	12.54	12	10.46
The number of housing benefit interventions completed per annum as a percentage of total caseload (lower is worse).	20%	19.46%	20%	21.97%	20%	13.75%
Sundry debtors collected within 3 months as a % of amounts due.	96%	98.2%	96%	97.7%	96%	99%
Percentage of undisputed invoices which were paid within 30 days.	95%	95.5%	95%	94.01%	95%	94.88%
Average number of calendar days to make payment of undisputed Invoices to SME's.	13	12.2	13	13.93	13	12.97

- e) It is pleasing to report that 97.1% of all council tax bills issued for the 2016/17 financial year were collected in full, which is the highest amount achieved since Caerphilly CBC was formed in 1996. The Council Tax Team also proactively pursues council tax arrears and over a typical 3-year period the collection rate rises to 99.5%, which means that the vast majority of residents do pay in full.
- f) Members will note that there has also been a steady improvement over the last 3 years in the collection rates for non-domestic rates with 97.9% of the amount due in 2016/17 being collected in year.
- g) The average time taken to process housing benefit change events and new claims was 12.54 days in 2015/16 (9.9 days in 2014/15). This dip in performance was partly due to significant IT downtime experienced during 2015/16 following the rollout of iGels. The IT systems used by the Benefits Section play a major part in performance so the Acting Director of Corporate Services & Section 151 agreed to replace the iGels with PCs. It is pleasing to note that performance has now improved for 2016/17 (10.46 days).
- h) Whilst there has been an improvement in the time taken to process new claims and change events, the number of housing benefit interventions completed per annum as a percentage of total caseload has reduced (13.75% in 2016/17 compared to 21.97% in 2015/16). There were fewer interventions completed in 2016/17 as the main focus of the Benefits Section was to improve processing times and clear backlogs to ensure that claimants had their benefits on time with minimum delay. Current workload levels are now more manageable and the Section will be able to carry out more interventions during the coming year. Interventions target high risk claims where there may be a change in circumstances that could result in overpayments or underpayments being made.

- i) Performance during 2016/17 has improved in relation to the timeliness of collecting sundry debtor income and paying invoices to suppliers. The percentage of undisputed invoices which were paid within 30 days was 94.88%, which is just short of the target of 95%. However, this is an improvement on the 94.01% achieved in 2015/16.
- j) During 2016/17 the Chartered Institute of Public Finance & Accountancy (CIPFA) were commissioned by the Society of Welsh Treasurers, along with Welsh Government (WG) and the WLGA to undertake a benchmarking exercise in respect of the Cost of Administration for functions in Corporate Services. The work included all 22 Local Authorities and it used 2016/17 budgets as provided to WG. The total net expenditure of administration per 1000 population showed Caerphilly CBC as 3rd lowest cost in Wales for the overall functions in Corporate Services. Within this overall position the finance function showed a net cost of £12.70 per 1000 population against a Welsh average of £18.40.
- k) The audit and regulatory reports in relation to the services provided by Corporate Finance have generally been positive: -
- The annual external audit of the NNDR3 Return in 2015/16 was completed without any qualification or comment to the Welsh Government.
  - Following the external audit of the Authority's 2015/16 financial statements, the auditors (Grant Thornton) included the following comments in their ISA260 Report to the Audit Committee: -
 

*"We have no concerns about the qualitative aspects of your accounting practices and financial reporting. We found the information provided to be relevant, reliable, comparable, material and easy to understand. We concluded that accounting policies and estimates are appropriate and financial statement disclosures unbiased, fair and clear."*

*"We did not encounter any significant difficulties during the audit. We received information in a timely and helpful manner and were not restricted in our work."*

*"There were no significant matters discussed and corresponded upon with management which we need to report to you"*

*"We did not identify any material weaknesses in your internal controls".*
  - The external audit of the 2015/16 Housing Benefit Subsidy claim identified a number of minor errors which led to a qualification. Whilst these errors did not result in any financial loss for the Authority there is a potential risk in future if the type of errors identified continue. In response to this refresher training has been organised for staff to reinforce the potential risks and to ensure accuracy in processing. In addition, extra quality control checks have been put in place to ensure that the training is effective and errors are being reduced.
  - Her Majesty's Revenue & Customs (HMRC) regard Caerphilly CBC as a low risk Authority for VAT and as a consequence they do not impose as rigorous an inspection regime on us as those Authorities regarded as a high risk.
  - Internal Audit reports on financial systems during 2016/17 have not reported any major issues.

#### 4.2.3 Future Challenges/Areas that need improvement as they did not go well

- a) The ongoing austerity programme will require further significant savings to be delivered. In addition to savings of £9.046m already approved for 2017/18, it is anticipated that the

Authority will need to find further savings totalling £28.8m for the period 2018/19 to 2020/21.

- b) There will be significant demands on finance staff arising from the need to support Heads of Service and Service Managers to identify and cost potential savings. The delivery of approved savings will also need to be closely monitored and due to the financial position becoming ever more challenging, the need for accurate and reliable budget monitoring information will be greater than ever. In addition to these demands we will still need to ensure that core financial functions are delivered and that statutory deadlines are met.
- c) From the 2020/21 financial year the statutory deadline for the production of the Council's Draft Accounts will be reduced by one month from the 30th June to the 31st May. Furthermore, the statutory deadline for the completion of the external audit of the Draft Accounts and subsequent Council approval will be reduced by two months from the 30th September to the 31st July. These changes will be phased in from the 2018/19 financial year and will present significant challenges to maintain the quality and accuracy of the financial accounts. The Council's Corporate Accountancy Team is being proactive in dealing with this change and is working closely with the external auditors (Grant Thornton) on a trial basis to produce the 2016/17 Draft Accounts by the 23rd June 2017. These will then be audited and subsequently approved by Full Council on the 31st July 2017. This approach will mean that we will be in a very strong position to meet the revised deadlines for the production of the Annual Accounts well before they become a statutory requirement.
- d) The introduction of the CIPFA Public Sector Internal Audit Standards and the demands on the Internal Audit Service will need to be carefully managed as we move forward. Client engagement will be crucial to ensure that priority areas are identified for review.
- e) In August 2016 the Wales Audit Office (WAO) issued a report following its review of arrangements to address external audit, inspection and regulation recommendations and proposals for improvement. This report identified a number of new proposals for improvement for the Internal Audit Service. These included the development of an assurance framework, aligning the audit plan to key risks, completing internal and external assessments against the Public Sector Internal Audit Standards and ensuring that the Audit Committee is provided with summary reports highlighting the key findings of Internal Audit work during the year. The Corporate Governance Panel is monitoring progress against the agreed actions to address the proposals for improvement and good progress has been made. However, further work will be required during 2017/18 to ensure that all actions are fully completed.
- f) The Housing Benefits Section will need to deal with the ongoing roll-out of Universal Credit and further reductions in grants from the Department for Work & Pensions (DWP).
- g) Finance staff will have a key role to play in dealing with the impact of Local Government Reform (LGR). Support and advice will need to be provided in relation to financial governance arrangements and pooled budgets and Heads of Service will need financial information to inform wider collaborative models for various services. Furthermore, a number of services within Corporate Finance are likely to be considered for collaborative working hence business cases will need to be developed for these services for Members to consider.

### 4.3 **Communications, Health & Safety, Human Resources**

#### 4.3.1 **Overview**

The three teams continue to be managed by the Acting Head of Human Resources and Organisational Development and together as a service, remain committed to support the Council with difficult change agenda ahead.

Staff are allocated as follows:

Communications (including graphic design & printing)	13.42 FTE
Health and Safety	27.70 FTE
Human Resources	60.72 FTE

#### 4.3.2 What went well?

- The three teams continued to perform well during 2016/17. Directorates have been provided with the same levels of service, despite the loss of staff in each team to meet the required budget cuts of the MTFP.
- Each of the teams has continued to support Heads of Service to manage various risks within their service areas, whether that relates to people, buildings, or reputation.
- All Schools buy the Health and Safety, Human Resources and Payroll Service Level Agreements (SLA's) and this year Schools have been offered the opportunity to purchase an SLA for the Communications Team and most have chosen to do so.
- The Council continues to lead the way in Wales with its successful use of social media and other digital channels to engage and communicate with residents and other key stakeholders. The Communications Team has continued to play a strategic role in leading the Authority's public consultation and engagement agenda on major pieces of work. They won the Silver Award for Public Service Communications Excellence and were the only Welsh entry shortlisted.
- Payroll have processed 101,520 payments through the payroll in 2016/17 in comparison with 104,888 in 2015/16 and 103,846 in 2014/15. The reduction in numbers is to be expected following the reduction in number of employees in these 3 years. Payroll continue to submit accurate information to the various regulators on time.
- HR have continued to support Heads of Service to successfully manage changes to service delivery and staffing requirements to meet their own MTFP targets, resulting in 37 compulsory redundancies as detailed below. A comparison to the previous 2 financial years is included for information. The projected future austerity provides an inevitability that it is going to become far more challenging to maintain low numbers of redundancies in future years.

Number of compulsory redundancies	2016/17	2015/16	2014/15
Service related	28 (includes 19 in schools)	9 (includes 7 in schools)	12
End of fixed term contract	9 (includes 5 in schools)	27 (includes 13 in schools)	25 (includes 10 in schools)

- HR continue to manage the Council's redeployment pool successfully. The Council has been advertising more posts on a fixed term basis for a number of years due to the review of service provision by each Head of Service. Consequently, the number of permanent redeployment opportunities that HR have supported. The number are lower due to there being less permanent posts advertised. See details below:

	2016/17	2015/16	2014/15
Number of staff permanently redeployed	10	11	21

However, HR continually support staff to be redeployed in to fixed term posts. The table below details the number of employees in the redeployment pool as at 31 March 2107 and the previous 2 years for comparison:

	<b>As at 31/03/17</b>	<b>As at 31/03/16</b>	<b>As at 31/03/15</b>
Number of employees in the redeployment pool	130	81	125

- h) The Health and Safety Team have supported the asbestos removal project in schools has been completed, resulting in amosite asbestos products being removed across 37 affected schools, costing £800k. The resulting position is that there is no amosite asbestos product (brown asbestos) within occupied areas of Caerphilly schools.

Performance information is as follows for 2016/17:

### **Communications**

600 press releases were generated which led to 2,266 separate articles in the local press and media. This clearly demonstrates that each positive article issued by the council is used multiple times by various media outlets. The team have recently implemented a new way of monitoring the performance of media releases by applying a scoring system to provide improved analysis of coverage.

The Council's Facebook page currently has 14,000 followers and the Council's Twitter account has over 13,000 followers. Caerphilly has the highest Facebook following of all local authorities in Wales thanks to the proactive way we engage residents using social media.

47,000 users have subscribed to GovDelivery, which allows the Council to send news, information and advice direct to subscribers. This is new communication channel for the authority, but performance is exceeding initial estimates and this continues to grow.

### **Health and Safety**

The table below provides a sample of information relating to some of the activity of the team and a comparison with the previous 2 financial years:-

	<b>2016/17</b>	<b>2015/16</b>	<b>2014/15</b>
Number of Health and Safety training courses attended by employees	3,934	2,614	2,387
Number of inspections of Schools	90	101	45
Number of fire risk assessments of Council premises	141	135	54
Number of asbestos surveys of Council premises	36	37	54
Number of asbestos removal projects	29	21	16

### **Human Resources**

The table below provides some of the activity that the team has supported to assist Heads of Service to manage their services and a comparison with the previous 2 financial years:-

	<b>2016/17</b>	<b>2015/16</b>	<b>2014/15</b>
New starters to the Council	831	648	735
Number of job applications received	7,803	6,910	6,730
Leavers	925	979	964
Early retirement by mutual consent	23 (includes 18 in schools)	25 (includes 13 in schools)	13 (includes 8 in schools)
Voluntary severance	10	54	23
Flexible retirement	3	7	0
Voluntary redundancy	6 (all in schools)	2 (both in schools)	6 (includes 4 in schools)

#### 4.3.3 Future Challenges/Areas that need improvement as they did not go well

- a) The impact of the Medium Term Financial Plan:-
  - i) on the service as a whole when it has no option but to downsize
  - ii) how the service supports the Council to achieve any agreed changes in a sensitive, manageable and safe way
- b) Changes to legislation that may impact on the business of each team.
- c) Potential reputational risks to the Council from matters in the public domain.
- d) Delivering the HR Strategy 2016 – 20, as this was a key outstanding action following the Wales Audit Office Review of Corporate Governance.
- e) Supporting the reduction of sickness levels across the Authority.

#### 4.4 Property Services

##### 4.4.1 Overview

Property Services continues to take a lead role in the rationalisation and improvement of the Council's buildings and land assets. Four major buildings, Pontllanfraith House, Pontllanfraith Comprehensive School (CS), Oakdale CS and Cwmcarn CS are, or will soon be, decommissioned. These buildings were inefficient, were no longer fit for purpose, required ever greater maintenance and contain asbestos. Furthermore three of these sites will now be sold and the Council will benefit from significant capital receipts.

Property Services also delivers all new building and building improvement projects for the Council and the in-house team has earned a reputation for designing impressive yet cost effective projects.



### The recently completed £20m Y Gwindy Welsh Medium campus



#### 4.4.2 What went well?

- (a) The sale of the Pontllanfraith House site has progressed and a preferred bidder has been appointed. Similarly progress has been made with the sale of Dyffryn House. Contracts, conditioned on completing the sale by the end of December 2017, have been exchanged.
- (b) Tir-y-Berth Depot has been transferred to the Corporate portfolio and is now fully occupied, with some office areas refurbished and external improvements completed to increase pedestrian safety.
- (c) Tredomen House refurbishments have been completed on time and the building is now ready to accept Highway Division staff when Dyffryn House is sold. The move to draw staff into the Tredomen campus and maximise the utilisation of wholly owned office buildings is well progressed. Team relocations have, without exception, gone very smoothly.
- (d) The inaugural State of the Estate report was well received with the first annual update underway. The report mirrors reports produced by central government and WG and will provide year on year metrics.
- (e) The centralisation of maintenance budgets under the Property Services has progressed well. Responsibility for the statutory testing of Authority buildings has been with Property Services for some time but the management of remedial works arising from the statutory testing is now also monitored and managed centrally on an increasing proportion of the estate and this has substantially reduced the number of outstanding actions.
- (f) The Capital program budget for 2016/17 was fully allocated and over 200 individual building improvement projects were successfully delivered via the Building Consultancy team in 2016/17. In addition the team delivered the last Phase of the £20m Y Gwindy Welsh Medium campus and completed the £23m Islwyn High School both of which were delivered within budget and on time. Site work on the £7m Abertysswg and Pontlottyn Primary School was commenced and is currently on programme and forecast to be delivered within budget. All three of these major projects were designed in house.
- (g) The Response Repair team has now been in place for 4 years and some 35,000 requests have been successfully actioned to date. In the 2016/2017 period 93% of all requests were actioned within the target time frame but steps are being taken to increase this.

- (h) The Facilities Management team has continued to diligently provide a very valuable but a largely behind the scenes service to building users. Staff continue to be very happy with the service with the latest survey indicating an overall satisfaction level of 99%.
- (i) The Energy Team has had a busy year with £200k spent on 9 invest to save energy reduction projects reducing the Council's carbon footprint by some 125 tonnes per annum. The team also audited and validated over 9,000 energy invoices totalling £3.2 m and continues to give energy management advice to building users.

### **Benchmarking**

Building Consultancy compares its fee charges with others. Typically its fee average is 11.25% of Project Cost compared to a Private Provider at 12.15%. Additionally the build costs of the capital projects delivered by the Building Consultancy are compared to those delivered by other authorities. The build cost of the schools delivered in house is amongst the most economic in Wales and the Islwyn High School Projects is seen as an exemplar for cost effective design.

FM salary costs have been compared with those in similar public services such as the Local Health Board (LHB) and were found to be very competitive. Similarly Asset Management has compared its salary base with the District Valuer's office and found it to be competitive.

#### **4.4.3 Future Challenges/Areas that need improvement as they did not go well**

- (a) Property Services continues to contribute to the wider MTFP savings targets and several vacated posts will not be filled. Indeed following the retirement of the Head of Service the Building Consultancy Manager and Head of Property roles were merged and a new Interim Head of Property Services was appointed in March 2017. Consequently delivering the current range of services has become progressively more challenging and managing any sudden increases in demand will be a key challenge going forward. The Property Services team is currently split over two floors of Penallta House but they will be co-located from June 2017 and this will enable closer working relationships and greater resource flexibility.
- (b) The Health & Safety Executive (HSE) issued an enforcement notice in relation to an incident related to Bargoed RFC flood lights in 2017. Considerable progress has been made in relation to statutory testing and the completion of the associated remedial tasks in recent years and the incident was therefore particularly disappointing. Internal investigations have highlighted areas for further process improvements and an action plan has been produced. Delivering against this action plan is a key challenge going forward.
- (c) The overall level of sickness absence for Property Services has been unacceptably high and the Interim Head of Service is now conducting all return to work interviews. Several difficult personnel issues continue to tie up management time, add to the sickness absence figures and increase the workload of colleagues. Improving the current situation and taking steps to reduce future incidents is a key objective for the Interim Head of Service.
- (d) Property Services lead the delivery of the Council's asset rationalisation programme and completion of the sales of Pontllanfraith House & Dyffryn House and the demolition and sale of the Oakdale and Pontllanfraith Comprehensive School sites are immediate priorities.

## 4.5 Procurement Services

### 4.5.1 Overview

The function has 16.5 FTE officers, who provide a full range of services related to Strategic Procurement, eProcurement systems and support and Supplier Relationship Management. In 2015 the Service was awarded Welsh Government's Outstanding Contribution Award at the Welsh National Procurement Awards. The department is supporting the Authority's Pre-placements for Cynydd Progress Scheme which supports looked after children into the work place.

### 4.5.2 What Went Well?

- (a) Statistics, comparators and KPI's show that quantitatively the service has in the main improved performance year on year over the last 5 years. For example:-

Title	Actual
% of Local Suppliers Awarded Contracts – WPC 12 Area*	90%
No. of Local Suppliers Awarded Contracts	396

During 2016/17 396 local suppliers were awarded contracts out of a total of 440 that were successful in winning contracts with the Council. This is consistent with the results recorded at the end of 2015/16 when 89.6% of all suppliers awarded contracts were local suppliers. The Authority has agreed the definition of local as "suppliers within the region of the old Welsh Purchasing Consortium area". (The Old WPC area consists Caerphilly, Bridgend, RCT, Merthyr, Monmouth, Torfaen, Blaenau Gwent, Vale of Glamorgan, Swansea, Cardiff, Neath Port Talbot, Newport).

- (b) The Welsh Government Fitness Check (2014/15) described the function as "mature, moving towards advanced". This places the Authority as one of the top 5 performing procurement functions within Local Government in Wales. No further Fitness Checks have been scheduled to date.
- (c) The service can demonstrate good success in supporting the local economy through our work in developing local SME's.

#### **How much of total spend is within the Authority's definition of local**

2011/12	2012/13	2013/14	2014/15	2015/16
50%	54%	55%	56%	55%

- (d) Provision of service has been maintained whilst meeting the challenges of the MTFP.
- (e) Officers are supporting the WG funded project team on the integrated health and social care collaborative commissioning programme.
- (f) Officers have been instrumental in supporting the work with the National Procurement Service and other public sector procurement agencies in Wales.
- (g) The Authority has continued to take advantage of the new flexibilities of the Public Contract Regulations 2015, specifically in establishing Dynamic Purchasing Systems (DPS) for Transport Services and for the provision of General Builders to support the WHQS programme. Further DPS applications, which give passport to trade type advantages to approved suppliers, are being considered for particular Waste streams and Grounds Maintenance Services for implementation in 2017/18.
- (h) Renewal of the small lots exemption under the Public Procurement Regulations to support local providers in the delivery of the WHQS programme.

- (i) The Authority continues to implement electronic tendering across service areas to meet the future legislative requirement of full electronic procurement by October 2018. The implementation of e-Tendering also supports other initiatives such as, but not limited to the reduction in the use of paper, ease of access for all suppliers and a clear auditable approach to Procurement.
- (j) In pursuit of the objective of increasing the number of suppliers invoicing more efficiently through an electronic process, during 2016/17 the number of suppliers participating was increased from 6 to 31, increasing the spend through electronic invoicing from £98,356 to £1,516,811.
- (k) Procurement Officers continue to utilise the Caerphilly Community Benefits Guide and actively consider initiatives linked to targeted recruitment & training along with other desired outcomes. Measurement of the outcomes is done via the Welsh Government Measurement Tool for all suitable contracts in line with the WG Welsh Procurement Policy Statement. Some recent examples of positive Community Benefit outcomes include support for local people through the WHQS Internal Works Contract and the Construction of Islwyn West High School.

<b>Deliverable</b>	<b>WHQS Internal Works</b>	<b>Islwyn West High School</b>
Full Time Employment	67	6
Apprenticeships	16	24
Work Experience	22	17

#### 4.5.3 **Future Challenges/Areas that need improvement as they did not go well**

- (a) The decision to include non core Community Benefits needs to be based on a more pragmatic assessment of what is realistic and achievable. Having made the decision to include these, a more robust effort needs to be made to ensure that suppliers are delivering in accordance with the Community Benefits plan submitted by the awarded supplier at tender stage.
- (b) Continue to monitor and review our processes to ensure that DPS and other initiatives introduced to alleviate supply chain capacity issues are effective in providing efficient solutions for front line services.
- (c) Press on with electronic procurement objectives to meet the requirements of new legislation regarding electronic trading.
- (d) Better understand the requirements of the Well-Being of Future Generations (Wales) Act 2015 to raise awareness and work more proactively through the procurement function to facilitate the changes required to make a difference in the outcomes achieved.
- (e) Continue to review long term undertakings, challenging terms and conditions where appropriate with a view to reducing the cost of the provision for the remaining contract term.

## 4.6 **Corporate Customer Services**

### 4.6.1 **Overview**

Corporate Customer Services has an establishment of 52 staff who deal with more than 700,000 customer contacts and collects £28 million of the Council's income each year. The service provides:-

- Six Customer Service Centres which provide a range of face-to-face services such as Blue Badge applications, Disclosure & Barring Service (DBS) evidence checks and Payments. Payments can also be made at the Cash Desk located in Newbridge Library.
- The Corporate Contact Centre which handles calls, emails and web/social media requests for a variety of service areas including Waste Management, Payments, Environmental Health and Highways. The Centre also provides a corporate switchboard service.
- The Blue Badge scheme which issues Disabled Parking Permits.
- The Reception service in Penallta House.

#### 4.6.2 What went well?

- (a) There were 232,480 visits made to the Centres during 2016. Of these visits 189,071 were to make payments, the remainder (43,409) were service requests such as Blue Badge applications. The number of service requests has dropped since its peak of 63,729 visits during 2014/15 after the opening of the Caerphilly Customer Service Centre. The number of payments handled in the Customer Service Centres and Newbridge Cash office has continued to fall as customers have increased their use of other payment methods. This has allowed the refocusing of staff time in the Customer Service Centres on Low volume/High value services.
- (b) The changes in the opening hours of the Customer Service Centres were delivered on time with very little disruption. This has facilitated the delivery of the agreed MTFP savings of £122,000.
- (c) Changes to the Blue Badge scheme as a result of further changes in legislation and Welsh Government guidance resulting from the introduction of temporary Blue Badges were introduced with no significant negative feedback or disruption. CCBC officers have been working closely with Welsh Government to improve the delivery of the scheme across Wales.
- (d) A new Customer Service Strategy has been agreed and an implementation plan is currently in development. A key part of the Strategy is the development of digital services and the movement of customers to lower cost contact channels.
- (e) There has been an in-depth review of payment handling processes which has resulted in the issuing of a new Payment Handling Manual supported by a training programme for all cash handlers.
- (f) Safeguarding arrangements in Customer Services have been significantly improved with staff and managers receiving training, and improved reporting arrangements put in place. This has resulted in a number of issues relating to vulnerable adults being raised with Social Services. An improved awareness of safeguarding issues has also resulted in staff taking a more holistic view of the customer rather than just a focusing on processes.
- (g) Customer Service Key Performance Indicators have been reviewed and a new set of indicators have been agreed.

#### 4.6.3 Future Challenges/Areas that need improvement as they did not go well

- (a) Sickness absence within the service remains above Directorate averages despite rigorous application of the Managing Sickness Absence policy.
- (b) During 2016/17 customer engagement was very limited. An engagement and consultation programme will be implemented during 2017/18 to gain a better understanding of customer priorities, the drivers of customer satisfaction, and what customers think about our service.

- (c) Local Government Reform is likely to have an impact on the Contact Centre, which has been identified as a service that could be delivered on a collaborative basis.
- (d) Although all MTFP savings have been made with limited impact on the public, future savings will require a more significant review of how we deliver our service, in particular our Customer Service Centres.
- (e) With such a significant amount of customer contact the continued implementation of the Welsh Language Standards will be a key area of work within the service.

## 4.7 **Legal Services**

### 4.7.1 **Overview**

The service area can be split into three distinct service areas. Electoral Services who are responsible for running and managing all elections and referenda in the Borough, in addition they are also responsible for ensuring that residents are registered to vote. Democratic Services have the responsibility for all duties associated with supporting the Council's democratic process including the scrutiny function. They provide advice and support to senior officers and all Elected Members. Legal Services provide a comprehensive legal service to the Council taking instructions from its client departments. The Legal Service is split into three small teams, corporate and governance advice (including corporate complaints), welfare and litigation and planning land and highways. The area is headed up by the Interim Head of Legal Services/Monitoring Officer. In total there are 37 FTE's employed within the combined service areas.

### 4.7.2 **What Went Well?**

- (a) The table includes a small sample of the P.I.'s for the service area. On the whole the P.I.'s have been maintained or exceeded.

<b>Period</b>	<b>Title</b>	<b>Target</b>	<b>Actual</b>
16/17 (Quarter 1-4)	Summons issued within 15 working days	93%	98%
16/17 (quarters 1-4)	%of Members that scored training events as good or very good	80%	99%

- (b) The recent benchmarking exercise undertaken by CIPFA in conjunction with SWT using budget 2016/17 across Wales, demonstrates that this service area is a below average spending area for Corporate Services.
- (c) There were a number of staff shortages faced during the year. Staff worked well to fill gaps. The new appointments have been excellent, however a further vacancy has arisen recently and recruitment is underway.
- (d) Legal Officers contributed to the successful outcome of the challenge in relation to the Welsh Language Standards.
- (e) In relation to the Democratic Team, an interim appointment was made to support the scrutiny function. This has been very successful and the officer also provides support to the more general work undertaken. It is worth noting that this small team of officers services 39 different Council Committees and attend around 200 meetings. The new scrutiny arrangements have been implemented and are working well and the recent peer review, which is due to be reported in the new future has produced positive feedback. In addition officers implemented the new Cabinet Member Statement Protocol, again overall positive feedback received.

- (f) The Officers faced a major challenge as a result of the implementation of the new Welsh Language Standards in relation to reports and minutes. Overall the new arrangements were implemented successfully and are in full operation.
- (g) Over the last few months staff have been planning and developing the mandatory training programme for Elected Members. The success of this will be measured over the next few months.
- (h) For Electoral Services it was another busy year. Following the EU Referendum staff moved to their new office in Bargoed. This was a well planned move and on the whole went well. The staff settled in in good time for the local elections.
- (i) Valuable lessons were learnt previously in relation to the sharing of staff across the divisions in order to meet the capacity issues at election times. On the whole this works well and has proven to be very effective in practical terms.
- (j) In relation to Corporate Governance the current Interim Head of Legal Services undertakes a very active role in promoting and maintaining good governance across the Authority. Following the decommissioning of the Improving Governance Programme Board governance issues are now 'business as usual' and monitored by the Corporate Governance Panel of which the Interim Head of Service is a member.
- (k) Once again the Lexcel Inspection for Legal Services was successful and accreditation maintained. The inspection recognised several areas of good practice.

#### 4.7.3 **Future Challenges/Areas that need improvement as they did not go well**

Review and report the final outcome of the scrutiny review. Ensure that arrangements are embedded within current practices.

#### **Welfare/Child Care Issues**

In relation to child care cases, there is a very worrying trend, in relation to the number of active cases. Over the last two years legal proceedings have increased significantly. Current figures are suggesting that the increase this year will exceed 60% from the figures in 2014 (37 in 2014, 63 at the end of 2016 and 37 cases issued at the end of March 2017).

The reasons for this increase are not clear. The local judiciary are driving changes in social work from practice, not necessarily followed in other parts of the UK. Data recently shared through the Family Justice Network has confirmed that the increases in the UK as a whole are running at 24%.

As a result of this increase in workloads within Legal Services (and Social Services) current systems are struggling to maintain performance in this critical area.

Regular updates are circulated at Director level and a paper is to be presented to CMT to discuss additional resources to meet the additional significant workloads.

Local Government reform is likely to include Legal Services as an area for consideration for regional working by Members.

### 4.8 **IT & Central Services**

#### 4.8.1 **Overview**

IT and Central Services provides a complex range of services underpinning the Authority's and its schools' information and communications technology (ICT) requirements plus other essential services including the management of information governance matters (incorporating advice and guidance regarding the Freedom of Information and Data Protection Acts), corporate records centres, mail and courier services and the central typing function.

The Division currently has 89.17 full-time equivalent (FTE) staff based over three sites (Penallta, Tredomen and Enterprise Houses). Staff are allocated as follows:- 74.89 FTE in IT and 14.28 FTE in Central Services. An additional 9 FTE staff are funded from the Housing Revenue Account (HRA) dedicated to providing IT and performance management services to Housing Services and the WHQS Programme and are based over two sites (Penallta House and Cherry Tree House).

#### 4.8.2 What Went Well?

- (a) Despite resource reductions at both operational and managerial levels many significant achievements have been completed during the year as shown by the examples below. However, it is accepted that some aspects of the service have been below par due to the necessary diversion of resources to deliver mandatory technological changes and the organisation's business requirements, particularly IT support to the WHQS Programme.
- (b) In the main key PIs showed good performance with improvements made to system availability from the previous year.

	Actual	Target	2015/16 Result
Major System Availability* <sup>1</sup>	99.96%	99.70%	99.71%
Call Resolution (IT Helpdesk) * <sup>2</sup>	92.88%	92.00%	90.67%
Data Protection Act Subject Access Requests answered within 40 calendar days* <sup>3</sup>	68.00%	70.00%	64.00%
FOI/EIR Act requests responded to within 20 working days* <sup>4</sup>	82.00%	85.00%	85.00%

- (c) Members should note:-

- \*<sup>1</sup> – Figures based upon “office hours” availability of the 21 most significant systems used across the Council. Current performance equates to a total of 86<sup>1</sup>/<sub>2</sub> hours unplanned downtime affecting those systems in 2016/17.
- \*<sup>2</sup> – Results have been below target for previous two years where significant technical change was implemented. 2016/17 has seen the benefits of the previous years’ work resulting in the target being exceeded. Total calls logged have dropped by 1.5% on 2015/16 remaining at just over 41k p.a. although there has been a 4% drop in calls categorised as “failures” to 12.5k with the remainder being service requests.
- \*<sup>3</sup> – Remains below target but is an improvement on previous year. This result achieved despite a 27% increase in requests during the 2016 calendar year many of which proved complex and time-consuming to answer.
- \*<sup>4</sup> – Below target. This has been contributed to by a small increase in requests during the year (1.4%). It should be noted that this performance measure is highly dependent upon the performance of the Council’s Service Areas to locate information, raise concerns regarding disclosure and quality checking by the relevant Heads of Service. To assist this process, internal deadlines have been shortened and the Corporate Information Governance Unit (CIGU) generates reports and reminders to help Services and give CIGU time to undertake compliance tasks such as exemptions within 20 working days. Late responders are referred to the Chief Executive.

- (d) In addition to the above the following went well during 2016/17:-

- IT & Central Services met its MTFP savings targets.
- Completion of the replacement of unsupported technologies affecting user management & authentication, desktop computers, servers, MS Office, printers and email system.
- Maintained its ISO27001 Information Security Management accreditation following completion of its fourth triennial in-depth audit.



- Retained its Public Services Network (PSN) Connection Compliance Certificate to assure access to and secure communication with the rest of the public sector.
- Successful implementation of new systems including Abris Common Housing Register, Mayrise Highways Management, Parks Ground Maintenance and Green Waste Booking, Route-Optimisation and Collections.
- Improvements to Council website resulting in it being identified as the highest ranked in Wales in the latest Sitemorse Survey of all UK local authority websites.
- Upgrades, updates and preventative maintenance undertaken to improve performance, capacity and availability of ICT solutions to the customer.
- 100% buy-in from schools for ICT services, improved communications through head teachers' forums & account management meetings and the on-going replacement of their unsupported technologies.
- Preparation for GDPR (General Data Protection Regulation) initiated Council-wide. This has incorporated updates to Information Asset Registers, audits of information sharing and privacy notices, creation of Privacy Impact Assessment templates and provision of advice and guidance based on GDPR "Privacy by Design" standards to reduce information risk during the formulation of contracts/agreements for high profile projects.
- Records management guidance developed to encourage staff to only retain what is required and dispose of records in line with retention schedule. All formats including email incorporated.
- Major contributor to joint working / collaboration on the information governance front participating in the South Wales Information Forum and advising major collaboration projects.

#### 4.8.3 Future Challenges/Areas that need improvement as they did not go well

- Continue to improve reliability and performance of services offered.
- Meet requirements of MTFP savings targets.
- Deliver services during the Shared Resource Services (SRS) collaboration evaluation process and transform as a result of its outcome.
- Maintain IT security and information governance standards.
- Seek further income generation opportunities.
- Ensure the organisation and staff are prepared for GDPR and the necessary changes are implemented.
- Raise statutory timescales compliance rates for FOI, EIR and SARs. ICO will expect 90% compliance for FOI. It should be noted that the £10 fee for SARs will cease in May 2018 which may encourage an increase in volumes in 2018/19.
- Maintaining service delivery standards and infrastructure. Resources and budget likely to reduce whilst demand resulting from greater LGR collaboration, digital agenda / citizen expectations and service area requirements grow.
- Provide solutions and expertise to support the Council's analysis of its electronic record assets, dispose of "stale" or unrequired material appropriately and introduce more effective management processes of such information.
- Continue to be proactive in securing the Authority's network in the light of increased levels of cyber attack.

#### 4.9 Sickness Absence in 2016/17 for Corporate Services

The following table shows sickness levels for 2016/17:-

Directorate	Service Area	Overall Absence % 15/16	% Sick Short Term 16/17	% Sick Long Term 16/17	Overall Absence % 16/17
	<b>Corporate Finance</b>	<b>3.80</b>	<b>1.81</b>	<b>4.36</b>	<b>6.17</b>
	<b>Human Resources</b>	<b>2.86</b>	<b>1.05</b>	<b>2.73</b>	<b>3.78</b>
	<b>Information &amp; Citizen Engagement</b>	<b>4.65</b>	<b>1.64</b>	<b>4.47</b>	<b>6.12</b>

	<b>Legal &amp; Governance</b>	<b>3.11</b>	<b>1.07</b>	<b>0.92</b>	<b>1.98</b>
	<b>Performance &amp; Property</b>	<b>4.08</b>	<b>1.69</b>	<b>5.45</b>	<b>7.13</b>
	<b>Procurement Services</b>	<b>5.26</b>	<b>2.6</b>	<b>5.94</b>	<b>8.53</b>
	<b>Director &amp; Staff</b>	<b>0</b>	<b>0.96</b>	<b>0</b>	<b>0.96</b>
<b>Corporate Services</b>		<b>3.98</b>	<b>1.62</b>	<b>4.07</b>	<b>5.69</b>

4.10 **Corporate Complaints – Corporate Services**

<b>Total No. of Complaints</b>	<b>2015/16</b>	<b>2016/17</b>
	21	19

**5. EQUALITIES IMPLICATIONS**

5.1 An Equalities Impact Assessment is not required as the report is for information.

**6. FINANCIAL IMPLICATIONS**

6.1 CIPFA were commissioned by the Society of Welsh Treasurers, along with Welsh Government (WG) and the WLGA to undertake a benchmarking exercise in respect of the Cost of Administration for functions in Corporate Services. The work included all 22 Local Authorities and it used 2016/17 budgets as provided to WG. The total net expenditure of administration per 1000 population showed Caerphilly CBC as 3rd lowest cost in Wales.

6.2 The table below shows the net budgets for 2017/18:-

<b>Service Area</b>	<b>Estimate 2017/2018</b>
Financial Services & Internal Audit	2,069,794
Procurement	438,467
Customer First	1,182,248
Legal & Democratic Services	1,032,569
Members Allowances	1,648,122
Electoral Services	315,411
IT Services	4,316,066
Central Services	386,915
Estates	519,199
Corporate Facilities	2,380,113
Maintenance	2,190,006
Building Consultancy	(57,146)
Human Resources	1,563,174
Communications Unit	286,527
Health & Safety	943,894
<b>Total Corporate Services</b>	<b>19,665,487</b>

6.3 There are no direct financial implications to this report.

**7. PERSONNEL IMPLICATIONS**

7.1 There are no personnel implications to this report.

**8. CONSULTATIONS**

8.1 There are no consultations that have not been included in this report.

## **9. RECOMMENDATIONS**

- 9.1 The Committee is asked to consider the content of the report and where appropriate question and challenge the performance presented.

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

- 10.1 Performance Management Scrutiny affords members the opportunity to challenge, inform and shape the future performance of services.

## **11 STATUTORY POWER**

- 11.1 Local Government Measure 2009.

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