



## 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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Consultees: Christina Harray: Interim Chief Executive  
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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