



AUDIT COMMITTEE – 29TH JANUARY 2019

SUBJECT: REGULATOR PROPOSALS FOR IMPROVEMENT PROGRESS UPDATE

REPORT BY: DIRECTOR OF EDUCATION & CORPORATE SERVICES

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 (July 2018) and to advise on any new proposals that have been added since that time.

2. SUMMARY

- 2.1 Since July 2018 there has been **4** proposals addressed and **4** new ones added onto the register.
- 2.2 We have received **2** reports since the last time an update was provided (and one certificate of compliance). There are **2** reports which have been received in draft and are going through clearance. These will be reported on the next update. Any proposals or recommendations for improvement from these reviews are not included within the numbers in 4.1 and 4.2.
- 2.3 Currently we have 1 recommendation and 12 proposals on the register totalling **13** altogether. There are 4 proposals which are now complete and if this is agreed by the Audit Committee, would leave **9** outstanding.
- 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 two finalised regulator outputs (one is completing its final clearance) since the last update and one further output, which is a 'certificate of compliance' for the production of the Council's Annual Performance Report. This has no proposal or recommendation but confirms the Council has complied with its statutory duty to produce a Performance Report and the 'Certificate' is part of Audit Committee papers (29th Jan 19) as an information only item.

- 4.2 As of January 2019 Audit Committee, there are 13 proposals / recommendations outstanding including 4 new ones. We are recommending 4 are closed down as completed leaving 9 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	1	0	1
Leisure Review	1	1	0
Review of arrangement to address external audit inspection	1	0	1
Good governance when determining significant service changes.	1	1	0
Savings planning (Financial Resilience)	1	0	1
Welsh Housing Quality Standard	1	1	0
New: Service User Perspective Review	1	New	1
New: Scrutiny Fit for the Future?	3	New	3
Total	13	4	9

- 4.3 As of June 2018, one of the proposals have been on the register since 2013 [see para 4.5]. One proposal has been on the register for three years and two have been on the register for two years. There have been **113** proposals or recommendations since the register began.
- 4.4 **The Customer Services Review** report was provided in 2013 and started with seven proposals. After a slow start the proposals gathered pace in their completion with one aspect outstanding as of early last year. Audit Committee requested a presentation by the Head of Customer Services who attended in July 2018 and provided the wider background and discussed the ways in which the organisation would want to transform customer service, in particular with digital services. Members had the opportunity to discuss customer service aspects and ask questions. As all the actions have been carried out with some aspects evolving or being superseded through other work, we are recommending this is now closed.
- 4.5 **Asset Management** - The last proposal remains and will do so for next 18 months as members were advised at the last update. The service has appointed an Asset Management Coordinator (AMC) on a two year contract starting in August 2018. The AMC is working with service area teams in developing Service Area Asset Management Plans and this will be ongoing for the next 18months.
- 4.6 **Financial Position Review** has one outstanding proposal from summer 2015 about ensuring priorities are taken into account when making savings. The Council's Well-being Objectives now run over a five year period in line with the Medium Term Financial Plan so both run concurrently. The Well-being and Future Generations Act also requires each public body to

state how their Well-being Objectives will be resourced and this is shown in the Council's Corporate Plan. We will be in a position to suggest this proposal be closed at the next update to Audit Committee, appendix A provides further details.

- 4.7 **Financial Resilience** – The proposal was to develop an 'Income generation policy' however in the current climate we have moved to a greater understanding of the benefits of a wider 'commercialisation strategy'. This will be presented to Cabinet at the end of May 2018, at which time we will be in a position to suggest closure of this proposal.
- 4.8 **Leisure Review** – As noted in the Appendix, we recommend that this proposal be closed as Cabinet approved the Sport and Active Recreation Strategy 2019-29 on 14th November 2018.
- 4.9 **The Welsh Housing Quality Standard (WHQS)**. The recommendation (R3) was to "Ensure it (the Council) has sufficient project management capacity to deliver the Councils WHQS programme effectively by 2020". This resulted in four actions which have all been completed. The new follow up WAO report that is currently going through clearance concluded that 'the council has responded positively' and is 'making significant improvements' and that 'we are likely to meet the WHQS' by Dec 2020. While there is more to do and the new report has three new proposals, these are unconnected to this specific recommendation. There are no current issues with project management capacity and we would recommend this now be closed.
- 4.10 Reports that have come into the system since the last report are:

Name of Report	Where Report was presented to?	Comment
Scrutiny Fit for Future?	Scrutiny Leadership Panel 11 th Oct Audit Committee 16 th Oct	3 proposals. Added to register
Service user perspective	Cabinet 30 th Jan 19	1 proposal Added to register
Audit of Caerphilly County Borough Council's Assessment of 2017-18 Performance	Audit Committee 29 th Jan 19	For Information only item.

- 4.11 Reports that are just finishing the clearance process and will come through the system for the next Audit Report are: The Wales Housing Quality Standard – Follow Up and WAO 'steps examination' which looks at one of the steps we said we would take to deliver one of our well-being objectives.
- 4.12 Education Directorate advise there are no ESTYN reports to report on this occasion. Social Services also advise there are no final Care Inspectorate Wales reports or studies to report on at this time.
- 4.13 The Wales Audit view is that the decision on whether a proposal is completed is an internal matter 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 updated once seen and agreed by Audit Committee.
- 4.14 We recommend four 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 proposals are now complete.
- 4.15 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 will benefit future generations The Sport and Active Recreation Strategy, for example, is designed to help deliver the goals and principles set out in the Wellbeing of Future Generations (Wales) Act 2015. More specifically the Strategy recognises clear opportunities for collaboration between the Strategy and the Caerphilly Public Services Board's Well-being Plan. The Well-being Plan also aims to help residents manage their own physical and mental well-being by creating supportive environments to do this. Working in partnership with the rest of the public sector is intrinsically linked to how we will deliver sport and active recreation. The Strategy also provides a vision and rationale for the future that is directly linked to the Council's Wellbeing Objectives, its strategic priorities, as set out in the Corporate Plan (2018-2023).
- 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. In terms of the five ways of working, these should be included within the actions to address these proposals and are not specific to the proposals themselves.

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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Christina Harray, Interim Chief Executive
Cllr Barbara Jones, Deputy Leader and Cabinet Member for Finance, Performance and Governance
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Liz Lucas, Head of Procurement and Customer Services
Mark Williams, Head of Property Services
Rob Hartshorn, Head of Public Protection, Community and Leisure Services
Lynne Donovan, Head of People Services
Stephen Harris, Interim Head of Business Improvement Services
Shaun Couzens, Chief Housing Officer
Cath Forbes-Thompson, Scrutiny Manager
Robert Tranter, Head Of Legal Services And Monitoring Officer
Keri Cole, Chief Education Officer
Kathryn Peters, Corporate Policy Manager, Corporate Policy Unit
Anwen Cullinane, Senior Policy Officer, Corporate Policy Unit
Dave Roberts, Principal Group Accountant, Corporate Services.
Shaun Watkins, Principal Personnel Officer, Social Services

Appendices:

Appendix A: Update of Proposal / Recommendation Register Jan 2019