



GOVERNANCE AND AUDIT COMMITTEE - 16TH MARCH 2022

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

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND 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 Governance and Audit Committee update and to advise on any new proposals that have been added since that time.

2. SUMMARY

2.1 The register was last updated and presented to the Governance and Audit Committee on 20 July 2021. Since that time no new proposals have been added onto the register and no areas for consideration as part of the Well-being of Future Generations examination.

2.2 We have **11** statutory recommendations, proposals and areas for improvement on the register. There are **4** proposals and recommendations that are now considered to be actioned and completed. If agreed by the Governance & Audit Committee, that would leave **7** outstanding.

2.3 We have not received any Performance Reports since the last time an update was provided (20 July 2021).

2.4 The above does not include the improvement 'certificates' that come before Governance and Audit committee, as these confirm compliance to our statutory duty so do not make proposals or recommendations. Nor does it include External Financial Audit outputs at this point as the Governance & Audit Committee received updates on progress against recommendations in the 2019/20 Audit Wales Audit of Accounts Report at its meeting on the 20th July 2021. A further update on progress against the 2019/20 recommendations was also provided in the 2020/21 Audit Wales Audit of Accounts Report presented to the Committee on the 12th October 2021.

2.5 At its meeting on the 25th January 2022, the Governance & Audit Committee received an Addendum to the 2020/21 Audit Wales Audit of Accounts Report setting out details of the recommendations arising. These recommendations have been accepted by

management and an update on progress will be presented to the Committee in June 2022.

3. RECOMMENDATIONS

- 3.1 We recommend the 4 proposals and recommendations be closed down as completed and encourage members to view the specific proposals attached within Appendix A and judge if they agree that these are now complete. It is recommended that Governance and Audit Committee give their agreement (if appropriate) to close the proposals that are noted as 'completed' within Appendix A.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure members are aware of progress against 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.

5. THE REPORT

- 5.1 The table below provides a summary of proposals or recommendations and the numbers outstanding from each piece of work. Paragraphs 5.2 to 5.7 and Appendix A provide more detail on the individual work and the quality of output, which is the most important aspects of the work.

Name of Report	How many proposals or recommendation were outstanding	How many proposals were completed in this reporting period	How many are left to complete?
Review of arrangement to address external audit inspection	1	0	1
Welsh Housing Quality Standard Follow up Review	1	0	1
Well-being of Future Generations 'steps' examination of 'improve the take up of Flying Start'	1	1	0
Financial Sustainability Assessment	3	0	3
Delivering Good Corporate Governance	5	3	2
Total	11	4	7

5.2 Review of arrangement to address external audit Inspection –

The Workforce Development Strategy was delayed as noted in earlier reports; however, since the appointment of a dedicated officer faster progress has been made to complete the strategy. Research was challenging as changes to peoples

work from the pandemic (such as remote working) and different ways of doing things, required different skill sets. This meant the review to inform a relevant workforce strategy took longer than initially intended.

The Strategy was agreed by Cabinet on 29th September 2021 and was presented to Policy and Resources Scrutiny Committee on 28th September 2021. The Strategy contains a Workforce Planning Toolkit for Managers to support Managers to consider future workforce planning needs. Meetings have taken place between HR and all Heads of Service to consider recruitment in each service, in particular how to prospective applicants can enter the Council's employment.

- 5.3 **Welsh Housing Quality Standard Follow up** review came onto the register in January 2019. There was 1 proposal outstanding at the last update, which was to develop an up to date overarching Local Housing Strategy to set out the long-term vision for housing within Caerphilly.

Progress was delayed due to the pandemic, however the process to develop a Local Housing Strategy started in July 2020 with the appointment of Arc4 Ltd consultants. Arc4 have been working closely with officers and partners throughout the pandemic and the Strategy was approved by Cabinet on the 27th October 2021. Work is now underway to develop a Delivery Plan and Investment Plan which will underpin and breathe life into the new and ambitious strategy.

- 5.4 **Financial Sustainability Assessment** - The Audit Wales 2020/21 assessment of councils' financial sustainability was in two phases. Phase 1 was a baseline assessment of the initial impact of COVID-19 on local councils' financial positions. This phase drew on the year-end position for 2019/20, the position at the end of quarter 1 for 2020/21, and projections for quarter 2 for 2020/21. Following Phase 1, in October 2020 Audit Wales published a national summary report – 'Financial Sustainability of Local Government as a result of the COVID-19 Pandemic'. This report was presented to the Audit Committee on 21 October 2020. Audit Wales has now completed Phase 2 of its financial sustainability assessment work in 2020/21 and individual reports have been prepared for each of the 22 principal councils in Wales. Caerphilly CBC's report was presented to the Governance and Audit Committee at its meeting on the 20th July 2021. There are 3 proposals for improvement resulting from the Audit Wales report and these are being progressed through the Sustainable Financial Planning Corporate Review. An update on the current position is provided in Appendix A.

- 5.5 **Delivering Good Governance**

Audit Wales and the Council jointly agreed to carry out a review of the Council's Governance arrangements in 2019. The review was framed as a means of assessing whether the Council's existing arrangements were sufficiently well developed to support the ambitious TeamCaerphilly transformation journey. The subsequent pandemic required a change of direction and a pause on some of the work, which was finalised April 2021.

An action plan was agreed by Cabinet on the 23rd June 2021 which has 5 proposals and actions to address the matters raised. Of the five actions agreed, three are now considered complete and the remaining two are 50% and 80% complete respectively with some further progress expected by the end of the civic year.

Other Regulators

- 5.6 School inspections are currently suspended due to the Pandemic, however, there is one planned for later in July 2022. The Local Authority has no outputs to report; however, pilot inspections are planned for the spring term. As a result of Estyn review meetings with the LA, 3 schools have been removed from Estyn review and one school no longer requires significant improvement. Estyn inspections of LA's re-commenced in December 2021, so we will be better placed to know when or if there are any up-and-coming inspections.
- 5.7 Care Inspectorate Wales (CIW) held their Annual Review Meeting with Social Services on 30th November 2021, and progress was noted in all Regulatory areas. The written confirmation of this meeting is awaited. CIW propose to undertake 'remote' assurance checks across all 22 Local Authorities during 2022/23 but the level of these checks will be proportionate to their overall assessment of the Local Authority. The Link Inspector has no concerns in relation to any area of Social Services in Caerphilly.
- 5.8 For clarity, Audit Wales issue Proposals and Recommendations. The difference 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' means we have a 'statutory duty' to act on the recommendation. Areas for Improvement are a new category and looks at how we have used the Sustainable Development principle in forming actions to deliver our Well-being Objectives and we build our own action plan rather than specific proposals.

Future Work

- 5.9 Audit Wales are carrying out a national study called Springing Forward. Following the pandemic this review will look at how councils are strengthening their ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities. This project will examine each council's overall arrangements and approach to transforming, adapting, and maintaining the delivery of services. The review will focus on how the Council is approaching this in relation to: -
- the strategic management of our assets; and
 - the strategic management of our workforce.

Interviews with staff and relevant Members are almost complete. The Audit Wales report on the findings is expected in the Spring.

5.10 Conclusion

Despite the pandemic, most of the proposals are making good progress and there are no emerging issues or delays to report on at this time and there have been no new proposals added to the register since the last time an update was provided (20 July 2021).

When monitoring progress against the proposals, members are advised to consider what value the proposals are making and what difference the activity makes for our citizens. The view of Audit Wales 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). Audit Wales receive this update as part of their attendance at Governance and Audit Committee.

6. ASSUMPTIONS

- 6.1 It is a reasonable assumption that the financial and demand challenges facing the authority will continue. Good Financial Settlements have been received from the Welsh Government for the 2021/22 and 2022/23 financial years, but indicative settlement uplifts for the subsequent 2 years are much lower. It is currently anticipated that there will be a financial shortfall of circa £9.7m for the 2-year period 2023/24 to 2024/25. Alongside this, demand levels for key services will continue to increase with changing demographics and increased expectations placed on the local authority.

7. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

- 7.1 This report does not relate to the development of a policy, strategy, practice or project so no specific Integrated Impact Assessment has been undertaken on this report, however the Sustainable Development principle would be considered as part of any action planning to address proposals.

8. FINANCIAL IMPLICATIONS

- 8.1 There are no direct financial implications arising from this report, although Financial Sustainability is noted as one of the reviews and has proposals attached.

9. PERSONNEL IMPLICATIONS

- 9.1 There are no specific personnel implications directly resulting from this report although one of the proposals is in relation to workforce development.

10. CONSULTATIONS

- 10.1 All consultation responses received have been included in the body of this report.

11. STATUTORY POWER

- 11.1 The Local Government Act 2009

Author Ros Roberts, Business Improvement Manager - roberr@caerphilly.gov.uk

Consultees: Christina Harry, Chief Executive
Richard Edmunds, Corporate Director for Education & Corporate Services
Steve Harris, Head of Financial Services & S151 Officer
Cllr. Eluned Stenner, Cabinet Member for Performance, Economy & Enterprise

Lynne Donovan, Head of People Services
Rob Tranter, Head of Legal Services & Monitoring Officer
Nick Taylor-Williams, Head of Housing
Gareth Jenkins, Assistant Director, Children's Services
Jo Williams, Assistant Director, Adult Services
Keri Cole, Chief Education Officer
Jane Roberts-Waite, Strategic Coordination Manager
Cath Forbes-Thompson, Scrutiny Manager
Sarah Mutch, Early Years Manager
Sue Richards, Interim Head of Transformation
Doctor Paul Warren, Strategic Lead for School Improvement
Deborah Gronow, Internal Audit Manager

Appendices:

Appendix A Action Plan & Response to Regulator Proposals