



GOVERNANCE AND AUDIT COMMITTEE - 24TH JANUARY 2023

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

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION & CORPORATE
 SERVICES**

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update members on progress of recommendations that have been 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 March 2022. Since that time 6 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 12 recommendations on the register and 6 new recommendations have been added. There is now 3 considered to be actioned and completed. If agreed by the Governance & Audit Committee, that would leave 9 outstanding.
- 2.3 We have 3 reports received since the last time an update was provided (16 March 2022).
- 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 receive updates on progress against recommendations in the next Audit Wales Audit of Accounts Report.

3. RECOMMENDATIONS

- 3.1 We recommend 3 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. Whilst the numbers give some scope the focus is on the quality of the output as some recommendations can take a long time to complete whilst others are shorter actions, however the important factor is the value of the recommendations, quality of output, and the difference they make. Paragraphs 5.2 to 5.8 and appendix A expand on the pieces of work as noted below.

Name of Report	How many original proposals or recommendation outstanding	How many recommendations completed in this reporting period	How many are left to complete?
Welsh Housing Quality Standard Follow up Review	1	0	1
Delivering Good Corporate Governance	2	2	0
Financial Sustainability Assessment 2021	3	1	2
Springing Forward Workforce (new)	1	0	1
Springing Forward Asset Management (new)	3	0	3
Homelessness Report (new)	2	0	2
Total	12	3	9

5.2 Welsh Housing Quality Standard Follow up Review

The action was to develop an up to date overarching Local Housing Strategy to set out the long-term vision for housing within Caerphilly. The strategy will be underpinned by a Delivery Plan which will breathe life into the strategy through a portfolio of actions and ensure its deliverability. An investment plan will also be developed and will set out clearly how the actions contained within the Delivery Plan will be resourced and funded. Arc4 Ltd have been commissioned to formulate the delivery plan and a series of workshops (linked to the 5 priorities in the strategy) are currently underway. Arc 4 Ltd consultancy have facilitated various workshops which have helped to inform a draft Delivery Strategy which includes a series of actions that CCBC aims to deliver in collaboration with its housing strategy partners. The actions link to the 5 priorities in the strategy and is likely to be presented to Scrutiny in Spring 2023. A completed draft of the Delivery Plan was finalised in the Autumn 2021 however, some of the actions have been reviewed again in partnership with key

organisations to ensure their continued relevance and has been further reviewed to ensure minimal duplication and a more coherent set of actions are included.

5.3 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. This report was presented to the Audit Committee on 21 October 2020. Audit Wales completed Phase 2 of its financial sustainability assessment work in 2020/21 and individual reports went to each of the 22 principal councils in Wales. Caerphilly report was presented to the Governance and Audit Committee at its meeting on the 20 July 2021. One proposal is now completed and part of day to day work leaving 2 outstanding. An update to this work is provided in Appendix A.

5.4 Springing Forward – Workforce

This review sought to answer the question: Is the Council's strategic approach strengthening its ability to transform adapt and maintain the delivery of its services in the short and longer term? Audit Wales concluded that Overall, they 'found that the Council's Transformation Strategy prioritises Workforce Development, and the Council maintains a good overview of its current workforce challenges, but recognises it needs to apply the sustainable development principle to strengthen its workforce planning and made one recommendation (noted in Appendix A). The Audit Wales report and response is being presented to Policy & Resources Scrutiny Committee on 23rd January 2023.

5.5 Springing Forward – Asset Management

Audit Wales looked at the way the Council manages its assets with a primary focus on office accommodation and buildings from which the Council delivers services to its residents. The review covered how the Council strategically plans the use of its assets, monitors the use of assets and how we review and evaluate the effectiveness of our arrangements, particularly in relation to experiences following the Covid-19 pandemic. They made 3 recommendations which are shown in Appendix A. A new Head of Property was appointed in November 2022 and will be taking actions forward to meet the recommendations. This will include the review of the current Asset Management Strategy and the development of an Asset Management Plan taking account of the new Agile working policy and current financial pressures.

5.6 Delivering Good Governance

An action plan was agreed by Cabinet on the 23 June 2021 to address the five proposals that the review raised. This work is now completed, though some legacy actions as described in Appendix A will continue as part of the corporate review work, therefore, it is recommended this proposal be deleted from the register.

Other Regulator work

5.7 We have no regulator proposals to report on from ESTYN in this period. In terms of school inspections, although they were suspended during the pandemic, settings in a formal follow-up category did continue to be monitored and evaluated.

Following an initial pilot phase in spring 2022, Estyn formally restarted their school inspections. A number of schools in Caerphilly have been inspected in recent months across secondary and primary settings. Although some the inspections have resulted in positive outcomes, three schools inspected are now in follow-up categories. One secondary is in significant improvement, one primary is in 'special measures' whilst a third school is in 'Estyn Review'. Two of the three schools were subject to enhanced support, monitoring and challenge prior to the inspections. Recommendations from all Estyn inspections have been considered to identify themes for improvement. The main commonalities across the published reports include recommendations relating to the teaching of skills, the development of the Welsh language, and improving the attendance of pupils in receipt of free school meals.

- 5.8 Care Inspectorate Wales (CIW) held their Annual Review Meeting with the Director of Social Services on 19th December 2022, and progress was noted in all Regulatory areas. The written confirmation of this meeting is awaited. There has been a transfer of Link Inspector for the Local Authority and periodic meetings with the two Heads of Service have taken place. No concerns have been raised. Thematic Assurance Checks and inspections for regulated services are continuing. Whole service inspections are due to resume during 2023.
- 5.9 The Assurance and Risk Assessment Letter (Audit year 2021-2022) Final was received beginning of January 2023 and any recommendations will be reported on the next Governance and Audit Forward work programme. This work report covered
- Financial Position
 - Implications of the Local Government and Elections (Wales) Act 2021
 - Self-assessment arrangements
 - Carbon reduction plan
- 5.10 For clarity, Audit Wales used to issue Proposals and Recommendations. A proposal was a 'suggestion for improvement' and a 'recommendation' meant an Authority had a 'statutory duty' to act. Therefore, Appendix A has a mixture of 'P' for proposals and R for recommendations. However, since the 2009 Local Government Measure, Performance duty was revoked in 2021, there are no longer proposals and all Audit Wales references from now on is referenced as a 'Recommendation'.

Future Audit Work Programme includes:

- 5.11 The draft ARA for 2022-23 notes that the Audit Assurance Work is likely to focus on :
- Financial position
 - Capital programme management
 - Use of performance information – with a focus on service user feedback and outcomes
 - Setting of well-being objectives
- 5.12 The Waste Strategy Review Output is due around April 2022.
- 5.13 **Conclusion**
When monitoring progress against the recommendations, 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 recommendation 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. 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 and Elections Act
11.2 The Well-being of Future Generations (2015) Act

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Appendices:

Appendix A Action Plan and Response to Regulator Proposals