



AUDIT COMMITTEE - 14TH JUNE 2017

SUBJECT: REGULATOR PROPOSALS FOR IMPROVEMENT PROGRESS UPDATE

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES & S151 OFFICER

1. PURPOSE OF REPORT

- 1.1 The purpose of this report is to update members on progress against the proposals made by all regulators since the last Audit Committee update (Dec 2016).

2. SUMMARY

- 2.1 Since Dec 2016 there have been **7** proposals addressed and **4** new proposals added onto the register.
- 2.2 We have received two new reports which are being presented to Cabinet 5th July 2017 and the proposals will then be reported to Audit Committee at the next available committee after that date.
- 2.3 Currently we have 15 proposals on the register. There are 7 recommended for closure which would leave 8 outstanding if the closures are agreed by the Audit Committee.

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 four regulator outputs received since the last update, one is a certificate of compliance which has no proposals or recommendations. The other two will be reported to Cabinet on 5th July 2017 and the fourth 'Review of arrangements to address external audit, inspection and regulation and proposals for improvement' had four proposals which have been added to the register (one of the 4 has 6 actions under it). Details are shown in paragraph 4.8.
- 4.2 As of Dec 2016 Audit Committee (the last time reported) there were 11 proposals outstanding, now as at May 2017 there are 15 proposals in total on the register with 4 new ones coming onto the register. We are recommending 7 be closed down as completed leaving 8 outstanding. See breakdown below:

	Customer Services Review	Assets (Land and property)	Financial Position	Financial Resilience	Leisure Review (new)	Review of arrangements to address external, audit, inspection proposals for improvement	Total
How many	4	2	1	3	1	4	15
Completed	3	1	N/A	1	N/A	2	7
How many left	1	1	1	2	1	2	8

4.3 In summary as of May 2017 there are;

Outstanding	New proposals added	Subtotal outstanding	Those completed (<i>subject to audit agreement</i>)	Current Total Outstanding	Total outstanding last time reported
11	4	15	7	8	11

- 4.4 In May 2016 there were 14 proposals outstanding having reduced from 28 the previous year. As of May 2017 there are potentially 8 outstanding. Of the 8, 2 have been on the register for more than 3 years (this is a reduction from 6 in December 2016). The numbers of the proposals only tell part of a story. Some of the proposals have had several actions and been more complex, making them not easily resolved within a year, however progress has been made and specific updates are given below in para 4.5 and 4.6. There have been 102 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).
- 4.5 There were seven proposals from the original WAO **Customer Services Review** and now there is one outstanding. These proposals were delayed due to the decisions around the medium term financial plan and how this would affect what the Customer Service strategy would deliver. The Strategy was approved by Cabinet in April 2016 and is available on the intranet. At the last update in December members were concerned about the length of time to finalise the 4 outstanding proposals and specific action has been taken to speed up progress and finalise the work. The Strategy has been sent to all services to ensure it is included in service planning and new indicators have been designed to measure more important aspects of customer care. The final proposal on implementing surveys is taking place this summer and the Head of Customer Services is drafting a strategy for surveys. This will be in progress until the autumn when any surveys will be completed.
- 4.6 **Asset Management** originally had 7 proposals and now there are two left, one of which we are recommending to be closed, leaving 1 outstanding. The last two proposals are about developing individual service asset plans and implementing monitoring arrangements. Some services have individual service asset management plans (SAMPS) and some services are being reviewed, where the outcome of that review would determine how their SAMP is completed. In terms of monitoring, the Asset Management Group will work with those services that do not have a SAMP to identify if they are needed and if they are to ensure that they are in line with the corporate Asset Management Strategy. More formally a 'State of the Estate Report' was presented to members and will be a regular feature in updating members and staff on the progress of Land and Building Asset management. We anticipate closing the last proposal down by the next update to Audit Committee. Wales Audit Office are currently carrying out a follow up review of Asset Management to assess progress and this may result in further suggestions for improvement.

- 4.7 There are two new reports that are now in the system and two that entered the system but are not yet included on the register. These are:

Name of Report	Where Report was presented to?	Comment
Audit of Caerphilly County Borough Council's Assessment of 2015-16 Performance	Audit committee 8 th March 2017	No proposals or recommendations
WAO Review of Arrangements to address external audit, inspection and regulation recommendations and proposals for improvement	Cabinet 19th October and Audit Committee 14th December 16	One proposal for improvement
Good Governance when determining significant service changes	Audit year 2016/17 Issued March 2017 Cabinet 5 th July 2017 To come to Audit Sept / Dec 17	Two proposals for improvement
Financial Resilience titled 'Saving Planning'	Audit year 2016/17 Issued March 2017 Cabinet 5 th July 2017 To come to Audit Sept / Dec 17	One proposal for improvement

- 4.8 The Education Service advise that there are no ESTYN reports or recommendations to report on this occasion. Social Services also advise there are no CSSIW reports or studies to report on at this time.
- 4.9 Future reports currently being completed from the 16/17 WAO audit programme and to be reported on in 2017 are:
1. Welsh Housing Quality Standard
 2. Asset Management
 3. I.T managing information
- 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). We will forward the register onto the Wales Audit Office for their information and update once seen and agreed by Audit Committee.
- 4.11 We recommend 7 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. WELLBEING OF FUTURE GENERATIONS IMPLICATIONS

- 5.1 There are no specific implications to the wellbeing 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 it is worth noting that external audit fees could 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 There have been no consultations that have not been included 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 action plan 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: Nicole Scammell: Acting Director of Corporate Services

Chris Burns: Interim Chief Executive

Dave Street: Corporate Director of Social Services

Christina Harrhy: Corporate Director, Communities

Stephen Harris: Interim Head of Finance

Richard Harris: Internal Audit Manager

Liz Lucas: Head of Procurement and Customer Services

Dave Titley: Customer Services Manager

Mark Williams: Head of Property Services

Lynn 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

Rob Hartshorn: Head of 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 Rees: Senior Policy Officer, Corporate Policy Unit
Gail Williams: Interim Head of Legal Services and Monitoring Officer

Appendices:

Appendix A Update of proposal register May 2017