
Wales Audit Office Corporate Assessment - Follow On Report

COUNCIL'S STATEMENT OF ACTION – PROGRESS UPDATE

Reason for this Report

1. To provide an opportunity for the Committee to consider progress in delivering the commitments within the Council's Statement of Action, developed to address the findings of the Wales Audit Office (WAO) Corporate Assessment Follow On report.

Background

2. The Committee considered the WAO Corporate Assessment Follow On report in March 2016, following which Members requested an opportunity to consider the Council's Statement of Action. In response the Cabinet offered sight of the progress report in implementing the Statement of Action six months on from implementation.
3. The Local Government (Wales) Measure 2009 gives the Auditor General the power to assess and report on the Council's arrangements to secure continuous improvement. The WAO's cycle of Corporate Assessment means the Council can expect to receive this type of formal assessment every four years.
4. The fieldwork undertaken by WAO for a Corporate Assessment focuses on the extent to which arrangements in the Council are contributing to delivering

improved service performance and outcomes for citizens. Having carried out such fieldwork the Auditor General can:

- a. make proposals for improvement, which he will expect the Council to address and which he will follow up;
 - b. make formal recommendations which the Council must respond to in 30 days;
 - c. conduct a special inspection; and
 - d. recommend to Ministers of the Welsh Government that they intervene in some way.
5. The Corporate Assessment that preceded the Follow On report was issued¹ in September 2014 and can be accessed [click here](#) (item 4 on the bullet pointed list).
6. The Follow On report itself was issued in February 2016, considered by this Committee in March 2016, and can be accessed [click here](#) (item 78).
7. In the Corporate Assessment report of 2014, the Auditor General concluded that ***'Fragmented leadership and management have meant that weak performance in key service areas has not improved'***. This conclusion in September 2014 was based on evidence of political and managerial instability over a number of years; a lack of effective means of delivery for citizens; decision-making processes that were inefficient and lacked transparency; performance management failing to consistently secure improvement; uncertain prospects for achieving proposed savings in 2014-15; unsustainable methods of service delivery; inconsistent implementation of human resource arrangements; and not managing land and property assets well. There was however evidence of the Council collaborating well with others to improve outcomes for citizens; improving information technology; and improving information management arrangements.
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8. The report made one formal proposal for improvement, that the Council ensures the implementation of its Organisational Development Plan to resolve the issues, listed above.
9. The Follow On Review assessment published on 26 February 2016 took place over several weeks in Autumn 2015, with WAO observing the way the Council works and interviewing staff, directors, managers and politicians to find out if improvements had been made since their initial assessment visit early in 2014. The Review sought to answer the question '*Is the Council effectively addressing the issues raised in the Corporate Assessment?*'

Corporate Assessment Follow On – The Findings.

10. The Auditor General's judgement following the Review was that "***The Council has put in place better arrangements to support improvement and to address longstanding issues, but is now at a critical point in embedding them if it is to achieve a step change in delivering improved outcomes.***"
11. The Council received one formal recommendation, that it should ensure it addresses 14 clear proposals for improvement to deliver improved outcomes within the next 12 months.
12. The proposals for improvement fall under four headlines;
 - Leadership and Management;
 - Governance;
 - Performance Reporting; and
 - Corporate Enablers.

Council's Statement of Action

13. Having received the Corporate Assessment Follow On report the Council was required to respond by preparing a Statement of Action and proposed timetable within 30 days. This was prepared and considered by the Cabinet on 21 March 2016.

14. The Statement of Action Progress Report October 2016 is attached at **Appendix A**. This is the first opportunity for the Committee to consider the actions proposed in addressing the improvements required by WAO, and therefore to consider progress in achieving the actions against the timescales identified.

15. The Report comprises 14 proposals, (P1 - P14) and 48 actions to deliver them. It clearly separates 'ongoing' from 'completed' actions. For each action there is an indication of the timescale within which it will be delivered, the senior officer responsible for leading on the action and an update of progress.

16. In some cases, the original timescale for completion for certain actions has been revised as the related activity has developed. This approach to the revision of timescales and their presentation within the Statement of Action has been agreed by the Head of Performance & Partnerships with Wales Audit Office colleagues.

17. Actions are apportioned against the four improvement headlines as follows:

- **Leadership & Management** – 2 - specifically highlighted are *Member communications* and *staff engagement*.
- **Governance** -13 – targeting matters such as *delegated decision making*, *Assistant Cabinet roles*, *Scrutiny improvement* and *Member training*.
- **Performance Reporting** – 4 – addressing the development of a *service planning framework*, *balanced scorecards*, *SMART objectives* and *RAG assessment* guidance.
- **Corporate Enablers** - 29 – tackling *performance challenge*, reviewing *PPDR*, *workforce planning*, *a new corporate asset management system* and *building maintenance framework*, *phase 2 of the Customer Relationship Management System*, *a digital strategy*, *improved information governance*, and specific tasks for the 2017/18 budget strategy in respect of *reviewing opportunities to enhance linkages between savings proposals from Directorates* and the *Organisational Development Programme*.

18. The above examples are a sample of the actions contained in the Council's response to WAO; Members can see the complete list of actions by referring to **Appendix A**.

Previous Scrutiny

19. Following consideration of the Corporate Follow On report in March 2016 the Committee notified the Leader that it would factor the regulator's view on corporate enablers, such as Performance, Human Resources, the Council's use of its Assets, and Scrutiny improvement into its future work programming, many of which are now planned on its current work programme for 2016/17.

20. The Committee sought clarification as to whether the WAO would be undertaking a further review, and heard at that point the Cabinet was unclear whether WAO would undertake a further formal review visit, or would monitor the Council's implementation of the Statement of Action during 2016/17.

21. Members wished to monitor engagement with middle management as the staff engagement programme was refreshed to improve consistency.

22. Following the Scrutiny the Committee undertook pre-decision scrutiny of the refreshed proposals for a Performance Management refresh in May 2016 as it had requested; and was offered an opportunity to consider Organisational Development Programme revised proposals in advance of formal consideration by Cabinet in June 2016.

23. In respect of WAO observations about Scrutiny the Committee stressed that Members of all scrutiny committees have been involved in an increasing number of cross cutting scrutiny inquiries over recent years. Members were very concerned about the number of vacant seats on scrutiny committees and were keen to establish how the Council could improve commitment to scrutiny

amongst elected Members to sustain a stable and consistent membership across all five scrutiny committees.

Way Forward

24. The Leader, Councillor Phil Bale, Christine Salter, Corporate Director Resources, Joseph Reay, Head of Performance and Partnerships, and Davina Fiore, Director of Governance & Legal Services, will attend the meeting to outline the Council's Statement of Action and progress in delivering the improvement required by the WAO, to answer Members' questions about the challenges the Council faces in completing the actions within the 12 month deadline imposed by the WAO.

Legal Implications

25. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct legal implications. However, legal implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any legal implications arising from those recommendations. All decisions taken by or on behalf of the Council must (a) be within the legal powers of the Council; (b) comply with any procedural requirement imposed by law; (c) be within the powers of the body or person exercising powers on behalf of the Council; (d) be undertaken in accordance with the procedural requirements imposed by the Council e.g. Scrutiny Procedure Rules; (e) be fully and properly informed; (f) be properly motivated; (g) be taken having regard to the Council's fiduciary duty to its taxpayers; and (h) be reasonable and proper in all the circumstances.

Financial Implications

26. The Scrutiny Committee is empowered to enquire, consider, review and recommend but not to make policy decisions. As the recommendations in this report are to consider and review matters there are no direct financial implications at this stage in relation to any of the work programme. However, financial implications may arise if and when the matters under review are implemented with or without any modifications. Any report with recommendations for decision that goes to Cabinet/Council will set out any financial implications arising from those recommendations.

RECOMMENDATIONS

The Committee is recommended to:

- i. Consider the information presented in this report and at the meeting;
- ii. Consider whether it wishes to make any comments to the Cabinet; and
- iii. Consider whether it wishes to schedule any further scrutiny of the issues identified in the Corporate Assessment Follow On Statement of Action progress report.

Davina Fiore

Director of Governance & Legal Services

9 November 2016