

Report

Cabinet



Part 1

Date: 6th July 2015

Item No: See above

Subject Corporate Assessment Review 2015

Purpose The present Cabinet with the Wales Audit Office Corporate Assessment Review

Author Chief Executive

Ward All

Summary The Corporate Assessment Review presents the Wales Audit Office findings of progress following the full Corporate Assessment of the Council in 2013.

The full Corporate Assessment 2013 examined the council's capability to deliver its priorities and improved outcomes for citizens. In the Corporate Assessment Review the Wales Audit Office consider whether the council has made good progress in addressing the Recommendations and Proposals for Improvement made since the full Corporate Assessment report was published.

Wales Audit Office acknowledge that the council has made improvements in financial management, people management, ICT and improvement planning and performance management arrangements, but are of the opinion that further progress can be made in these areas.

This report also contains the Council's Statement of response to the Recommendations made in the Corporate Assessment required under section 20 of the Local Government Measure 2009. Proposed accountability and monitoring arrangements for the implementation of recommendations and proposals for improvement are included.

Presented alongside the Corporate Assessment Review are the Wales Audit Office reports on Data Quality and Information Management and Governance

Proposal Cabinet are requested to:

- Accept the findings of the Auditor General in his Corporate Assessment Review
- To endorse the Statement of Response to the Recommendations
- To endorse the accountability and monitoring arrangements for the implementation of recommendations and proposals for improvement
- To receive quarterly monitoring reports on the progress towards recommendations and proposals for improvement

Action by Chief Executive, Strategic Directors and Head of Service

Timetable immediate

This report was prepared after consultation with:

- Chair of Cabinet
- Chief Executive
- Strategic Directors
- Heads of Service

Signed

Background

The Corporate Assessment Review presents the Wales Audit Office findings of progress following the full Corporate Assessment of the Council in 2013.

The full Corporate Assessment 2013 examined the council's capability to deliver its priorities and improved outcomes for citizens. In the Corporate Assessment Review the Wales Audit Office consider whether the council has made good progress in addressing the Recommendations and Proposals for Improvement made since the full Corporate Assessment report was published.

Also presented with the Corporate Assessment Review are the Wales Audit Office reports on Data Quality and Information Management and Governance. The content and findings of these reports link with the Corporate Assessment and action plans for these reports will be considered by the appropriate scrutiny committee in accordance with the council's arrangements for managing regulatory reports.

Corporate Assessment Review

During November and December 2014 the Wales Audit Office reviewed the progress that the Council had made in implementing the Recommendations and Proposals for Improvement from the full Corporate Assessment in 2013.

The overall conclusions from the Corporate Assessment Review are:

"The Council has made improvements in some aspects of its arrangements, however in other areas the scale and pace of change required has not been achieved, and longstanding governance weaknesses remain"

The Corporate Assessment Review contains seven recommendations. Since the last assessment one recommendation has been closed, four have been updated, one has not been changed and there are two new recommendations.

The Corporate Assessment Review contains six proposals for improvement. Since the last assessment five proposals have been closed, two are updated and there are 4 new proposals included in the assessment.

Accountability and Monitoring Arrangements

In response to the new Recommendation 6, the council's accountability and monitoring arrangements have been strengthened. The arrangements are included as appendix one in this report.

Statement of Response

As part of the requirements of the Local Government Measure 2009 the council must respond to the Recommendations made by the Wales Audit Office within 30 working days. Included within this report is the council's Statement of Response and associated actions planned and timescales.

Financial Summary

- There are no direct financial implications associated with this report

Links to Council Policies and Priorities

The Corporate Assessment Review links to all of the Council's key plans.

Options Available

The options available are:

- a) To accept the findings of the Corporate Assessment review and to endorse the Statement of response and the accountability and monitoring arrangements
- b) To disregard the information set out in this report and the appended Corporate Assessment Review

Preferred Option and Why

The preferred option is a). The Corporate Assessment Review is an important aspect of the Local Government Measure and as such, informs the Council's wider improvement programme.

Comments of Chief Financial Officer

There are no direct financial implications arising from this report. Separate comments on the Corporate Assessment Review are included in the Statement of Response.

Comments of Monitoring Officer

There are no direct legal implications arising from this report. Separate comments on the Corporate Assessment Review are included in the Statement of Response.

The Council is required to formally respond to the statutory Recommendations set out in the Report within 30 days in accordance with the requirements of the Local Government Measure 2009.

Comments of Head of People and Business Change

There are no direct staffing HR implications arising from this report. Separate comments on the Corporate Assessment Review are included in the Statement of Response.

Comments of Cabinet Member

Report author to confirm that the Cabinet Member has approved the report for consideration by cabinet.

Background Papers

Cabinet Report "Corporate Assessment" (21/10/13)

Appendix One: Roles and Responsibilities for receiving and monitoring regulatory reports

Appendix Two: Statement of Response to the Corporate Assessment Review

Appendix Three: Wales Audit Office Corporate Assessment Review

Appendix Four: Wales Audit Office Data Quality Review

Appendix Five: Wales Audit Office Information and Governance Review

Dated: 17th June 2015

Appendix One

Roles and Responsibilities for receiving and monitoring regulatory reports

Role	Responsibilities	Monitoring Arrangements
Cabinet	To receive and respond to whole authority reports from the major regulatory bodies (WAO, CSSIW and Estyn) and endorse action plans for consideration and monitoring by Cabinet and/or Scrutiny.	Quarterly monitoring reports on the progress made towards recommendations and proposals for Improvement through the Improvement Plan Update report
Cabinet Members	To receive and respond to whole authority reports To receive and respond to specific review reports and endorse action plans for consideration and monitoring by Scrutiny. To work with officers to ensure delivery of those action plans.	Quarterly update from their head of service on progress made towards recommendations and proposals for Improvement
Scrutiny Committees	To receive all regulatory reports and resulting action plans, and to monitor the progress of the action plans as appropriate. To hold the Executive to account in responding to regulatory reports, ensuring actions plans are robust, and progress is being made in delivering them.	Six Monthly updates on the progress of recommendations and proposals for improvement through the service planning half year and year-end review process
Audit Committee	To receive six monthly overview reports about the position of the regulatory reports received by the authority, including summary findings of reports received. To be advised of upcoming regulatory reports To ensure all regulatory reports are being appropriately dealt with, and the Council's risk management and internal control mechanisms are adequate.	Six monthly updates on progress of recommendations and proposals for improvement through the 'monitoring regulatory reports' report
Chief Executive, Directors, Heads of Service and Senior Managers	To input into the whole authority and specific review reports as appropriate. To work with Cabinet Members to prepare and deliver robust action plans To provide internal peer challenge on the delivery of action plans and ensure these plans are progressed with adequate pace	Monthly updates on progress to be considered at Strategic Leadership Team and/or Corporate Management Team

Types of regulatory report

There are two types of report that are received from regulators, whole authority (or whole service) reports, and specific review reports.

- 'Whole Authority' reports are those that cover the governance of the authority or the whole scope of the regulator. Examples of this would be the Corporate Assessment, Improvement Letters, Estyn Inspection of Local Authority Services, and the CSSIW Annual Review and Evaluation of Performance. These reports will be considered by Cabinet and final reports will generally be presented by the regulator that authored the report.
- 'Specific Review' reports are those on a single topic, e.g. Waste Management or Regeneration. These reports will be considered by the relevant Cabinet Member.

Appendix Two:
Statement of Response to the Corporate Assessment Review
6th July 2015

Recommendation 1

R1 Updated from 2013 Corporate Assessment (2013, R1)

The Council should ensure that members are routinely and transparently considering robust information at the earliest opportunity to enable them to inform, take and challenge choices and decisions effectively, and ensure that decisions are recorded and reported transparently.

This includes the consideration of:

- *Options appraisals.*
- *The implications of the options, recommendations and decisions.*
- *Fully costed business cases prior to initiating major programmes to support change. The financial impact of any significant proposed service changes should be reflected in medium-term financial plans directly where the change is certain to proceed or as a sensitivity if the change is not certain.*

Response 1

General Comments

Members are provided with the relevant information to make decisions. There have been a small number of atypical decisions where quality of information provided could have been better and it is recognised that consistency can improve.

Major strategic change projects such as the review of the Council's Property and also Leisure Services were robustly reviewed and different options evaluated and these were included in decision main reports

Action Plan 1

Action	Timescale	Responsible Officer(s)
Ensure all decisions made are supported by high quality information.	Retest by December 2015	Chief Executive

Recommendation 2

R2 No change from 2013 Corporate Assessment (2013, R2)

The Council should address with more urgency the weaknesses in its governance arrangements that underpin its decision making to support improvement. This would include:

- strengthening committee work programming arrangements to ensure they are timely, meaningful, informative, transparent, balanced, monitored, and joined up;*
- reviewing and updating the Council's constitution ensuring that roles, responsibilities and accountabilities are clear, and that all members understand and apply their respective roles in relation to each other without compromising independence;*
- empowering members to be more proactive and accountable for their roles and responsibilities;*
- strengthening decision-making arrangements to ensure transparency and appropriate safeguards are in place;*
- strengthening scrutiny arrangements to more effectively inform and challenge policies, options, decisions and actions, and hold Cabinet members, officers, partners and others to account more robustly to drive an increased pace of progress and improvement;*
- strengthening and mandating member and officer development and learning programmes based on competency assessments to improve skills and understanding to enable them to undertake their roles more effectively; and*
- addressing information security and business continuity arrangements.*

Response 2

General Comments

The Scrutiny Improvement Group is developing new ways of working and reviewing the work programmes to focus more on risk and restricting the number of items on agendas by channelling information reports by way of other and ensuring committee reports are based around outcomes

Formal Decision Making Processes by elected members are clear and transparent with draft decisions being available to the public on line and all reports and decisions available to the public. Safeguards are in place as no formal decision is taken without comment by the Monitoring Officer, the Section 151 Officer and the Head of People & Business Change
Some initial progress made to encourage members to participate in interviews to identify development needs

The Information Management and Governance review (May 2015) notes the Council's progress with some proposals for improvement. We will reflect carefully on the specific issue raised and put in place further actions to ensure any weaknesses are fully addressed

Action Plan 2

Action	Timescale	Responsible Officer(s)
Regular monthly updates to the committee work programme	From July 2015	Head of Law and Regulation
The Constitution will be reviewed by the Democratic Services Committee throughout 2015 – 2016	Throughout 2015/16	Head of Law and Regulation
To make further progress to identify and respond to members development needs	Throughout 2015/16	Head of Law and Regulation
Progress information governance and business continuity improvements as outlined in the Information Management and Governance report May 2015.	Ongoing	Head of Customer Services and Digital Innovation

Recommendation 3

R3 Updated since 2013 Corporate Assessment (2013, R3)

The Council needs to ensure that its arrangements for strategic financial planning and management continue to develop to meet the significant challenges that are being faced by ensuring that:

- *robust savings plans are developed in more detail to meet the projected budget shortfall for 2015-16 and to support the delivery of a meaningful medium term financial plan;*
- *sufficient challenge is applied to ensure that savings/investment plans are delivered and any budget overspends are highlighted and addressed by early intervention;*
- *financial plans provide clear links to improvement objectives and service plans; and*
- *sufficient finance staff (both centrally and within individual departments) with appropriate skills and experience are in post to support the development and delivery of future plans.*

Response 3

General Comments

The position here has improved significantly in two important areas.

- A robust business plan process supports all saving proposals and these are subjected to a 'Peer Review' before finalisation.
- The Council's financial management arrangements include monthly reporting which includes delivery position on all saving proposals and these are considered by the Council's Corporate Management Team. Non delivery/slippage of saving proposals is an inherent risk and to date, the Council has a successful track record of mitigating these, showing action is taken to deliver services within available resources.

In addition, since the field study was undertaken, the Head of Finance has completed the re-structure of the accountancy service and recruited into a key management/senior technical position which was an area of concern. This will have a significant positive impact on this area in going forward. Further vacancies are in progress of being recruited into.

Action Plan 3

Action	Timescale	Responsible Officer(s)
Finalise recruitment into vacant posts within new structure	Advertise vacancies by end June 2015 Recruit as soon as possible thereafter	Head of Finance
Decision making reports on Improvement Plans and Service Plans include financial information about the resources to deliver	By September 2015	Heads of Service
Potential / Likely impact on Improvement Plans and National Key Indicators are noted in saving proposals	For 2016/17 and medium term proposals	Heads of Service

Recommendation 4

R4 Updated since 2013 Corporate Assessment (2013, R4)

The Council must continue to develop its people management arrangements, to ensure it has the capacity and capabilities necessary to change and improve.

In doing so, it should:

- continue to develop its draft Workforce Plan and associated action plans by, for each action: allocate responsibility to an officer and set a deadline for completion;*
- in the absence of a formal approach to 360 degree feedback for all staff, address manager inconsistency in carrying out appraisal and ensure all staff receive a constructive and developmental appraisal to support job performance; and*
- put in place a key performance indicator and a challenging target for sickness absence that adheres to the target setting principles agreed by the Council's Senior Leadership Team on 17 March 2015.*

Response 4

General Comments

Workforce plans are progressing and include six key objectives linking back to People Plan including succession planning, talent pools and to ensure our workforce is more representative of the population of Newport.

Sickness targets for 15/16 has been set at service level, with challenging targets for those who did not reach their target in 2014/2015. Support and intervention measures will continue to assist managers in tackling the priority of reducing long term absence. Targets are included in service plans and are regularly monitored and reported to Performance Board and all service area management team meetings.

Action Plan 4

Action	Timescale	Responsible Officer(s)
Continue to develop clear action plans for the delivery of the workforce plan	By the end of 2015	Head of People and Business Change
Increase monitoring of the appraisal process throughout the year and review the employee and manager guidance	Throughout 15/16	Head of People and Business Change
Reinforce sickness targets through inclusion in service plans.	September 2015	Head of People and Business Change

Recommendation 5

R5 Updated since 2013 Corporate Assessment (2013, R6)

To strengthen the arrangements that enable the Council to, scrutinise, its improvement objectives. In doing so, the Council should:

- *Enable members to effectively challenge and scrutinise service performance:*
 - *clarify the respective roles of the performance board and scrutiny;*
 - *ensure that meeting agendas allow for sufficient time for members to focus on (broad) underperformance in both; and*
 - *provide training on effective challenge and scrutiny for members.*
- *Improve target setting to better reflect the service/performance standards the Council wants to achieve.*

Response 5

General Comments

This recommendation has been updated to reflect the on-going improvements made in this area.

Since the Corporate Assessment fieldwork has taken place a number of changes have been undertaken to improve target setting, including the application of three principles for target setting, production and distribution of target setting guidance and greater challenge of target setting through the Strategic Leadership Team.

Work has been undertaken to clarify the respective roles of Scrutiny and Performance Board and meeting agendas of performance board now include 'review of performance' and forward looking items. Further action will be undertaken to aide members to undertake effective challenge

Action Plan 5

Action	Timescale	Responsible Officer(s)
Include training on effective challenge alongside other scrutiny training and development provisions	By the end of 2015	Head of People and Business Change
Review the roles of Performance Board and Scrutiny to provide further clarity	By the end of 2015	Head of People and Business Change

Recommendation 6

R6 New recommendation

We recommend that the Council improves the collective leadership by both Members and officers of the delivery of its response to the Auditor General's 2013 Corporate Assessment by agreeing clear accountability and monitoring arrangements for the implementation of recommendations and proposals for improvement.

Response 6

General Comments

The council is facing a challenging period as available resources continue to diminish. Effective collective leadership is vital to meeting these challenges. Included in the Cabinet report of 6th July 2015 are clear accountability and monitoring arrangements for the implementation of recommendations and proposals for improvement.

Action Plan 6

Action	Timescale	Responsible Officer(s)
Agree clear accountability & monitoring arrangements	July 2015	Chief Executive

Recommendation 7

R7 New recommendation

The Council must ensure that all National Strategic Indicator data is collected and published in accordance with the Welsh Government definitions; particularly NSI. EDU/015a - Final Special Educational Needs statements issued in 26 weeks.

Response 7

General Comments

All NSI data for 2014/15 has been submitted to Welsh Government according to National Strategic Indicator definitions including NSI. EDU/015a - Final Special Educational Needs statements issued in 26 weeks.

Action Plan 7

Action	Timescale	Responsible Officer(s)
Progress the data quality improvements as outlined in the Data Quality Review report (May 2015)	Throughout 15/16	Head of People and Business Change