

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2015/16

COMMITTEE:

AUDIT COMMITTEE

7th December 2015

Item No. 9

**2014/15 Annual Governance
Statement Recommendations
Update**

REPORT OF:-

GROUP DIRECTOR, CORPORATE & FRONTLINE SERVICES

**Author: Marc Crumbie (Operational Audit Manager)
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1. PURPOSE OF THE REPORT

The purpose of this report is to provide Audit Committee with an update on the status of the recommendations that were raised within the 2014/15 Annual Governance Statement.

2. RECOMMENDATIONS

It is recommended that Members review the information contained within the report and:

2.1 Seek clarity and explanation where there are areas of concern.

2.2 Identify further action to be taken where deemed necessary.

3. BACKGROUND

3.1 The Council's [Annual Governance Statement](#) (AGS) relating to the 2014/15 financial year was reported to and approved by Audit Committee at its meeting held on 6th May 2015. The document described the governance arrangements in place, challenged their effectiveness and where necessary provided recommendations for improvement. A total of 8 recommendations were made.

3.2 In relation to monitoring the Council's overall governance arrangements, the Terms of Reference for Audit Committee states:

As a key element of new arrangements for corporate governance, designed to ensure openness, integrity and accountability, the Committee will assist the Authority in discharging its responsibility for ensuring financial probity, without taking any action which might

prejudice it. The Committee will:

(D) Review, scrutinise and issue reports and recommendations on the appropriateness of the Authority's risk management, internal control and corporate governance arrangements, and providing the opportunity for direct discussion with the auditor(s) on these.

3.3 In accordance with the Terms of Reference (Item D) and Workplan for Audit Committee, this report provides an update on the status of each recommendation. Appendix A provides details of the 8 recommendations made, along with a summary of the action taken to implement and/or manage the recommendations.

4. SUMMARY

4.1 A summary of action taken to implement and/or manage the recommendations contained within the 2014/15 AGS is provided at Appendix A. Members will note that all but one of the recommendations have been fully implemented. A further update on the status of 'AGS 4' will be provided to Audit Committee prior to the end of the 2015/16 Municipal Year.

4.2 The provision of the information contained within this report assists Members when forming an opinion on the Council's overall governance arrangements during 2015/16.

LOCAL GOVERNMENT ACT, 1972

as amended by

THE ACCESS TO INFORMATION ACT, 1985

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

LIST OF BACKGROUND PAPERS

AUDIT COMMITTEE

7th December 2015

Report of the Group Director, Corporate & Frontline Services

Author: Marc Crumbie (Operational Audit Manager).

Item	File Ref:
9. Annual Governance Statement Recommendations – An Update	IA / MC
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Appendix A

Ref.	Recommendation	Update
AGS 1	<p>The Council should ensure that 'Education' remains a priority for 2015/16. The priority action plan should (amongst others things) aim to address the outcomes of the Estyn Report dated 1st August 2014.</p>	<p>Implemented.</p> <p>Following consultation and scrutiny, at its meeting held on 24th June 2015 the Council agreed the following six priorities for 2015/16:</p> <ol style="list-style-type: none"> 1. <i>Protecting people from harm and tackling anti social behaviour</i> 2. <i>Keeping Rhondda Cynon Taf clean and 'green'</i> 3. <i>Supporting vulnerable adults and older people to live independently</i> 4. <i>Keeping all children and young people safe</i> 5. <u><i>Providing a top quality education - Every School a great School</i></u> 6. <i>Improving our communities</i> <p>The review of 2014/15 performance confirmed that despite the progress, the Council still had a lot to do which is why providing a top quality education and making every school a 'great' school remained a priority for 2015/16. The improvement plan for 2015/16 continued to focus upon improving educational standards for all children in our schools, particularly vulnerable groups, so that every child achieves their potential.</p>
AGS 2	<p>The Council should ensure that services delivered to adults and children across the County Borough remain priorities for 2015/16. The priority action plan(s) should (amongst others things) aim to address the areas for improvement raised within the CSSIW Annual Report.</p>	<p>Implemented.</p> <p>Following consultation and scrutiny, at its meeting held on 24th June 2015 the Council agreed the following six priorities for 2015/16:</p> <ol style="list-style-type: none"> 1. <i>Protecting people from harm and tackling anti social behaviour</i> 2. <i>Keeping Rhondda Cynon Taf clean and 'green'</i> 3. <u><i>Supporting vulnerable adults and older people to live independently</i></u> 4. <u><i>Keeping all children and young people safe</i></u> 5. <i>Providing a top quality education - Every School a great School</i> 6. <i>Improving our communities</i> <p>The needs of children and adults remained priorities for this Council during 2015/16 and this is reflected in the actions plans that flowed from the Director's Annual Report and from the CSSIW evaluation letter and meetings.</p>

		<p>Priorities for service modernisation and re-modelling are also reflected in the region’s Social Services and Wellbeing Act implementation plan.</p> <p>As per the Director’s report: <i>‘Though we face continued challenges as a result of increasing demand for our services against a reduction in the amount of money we can spend, I am please to confirm that, thanks to the hard work of our staff and our partners, our performance in 2014/2015 was generally good. However, I am also aware there remain areas of our work where we must continue to improve and modernise.’</i></p> <p>The financial challenges we face are significant. Unless we change our approach to delivering services, we will see resources increasingly targeted only at those with greatest need. But, if we restrict the number of people who receive support to just those with the highest need, without putting in place adequate preventative strategies for the wider population, this is unlikely to be sustainable in the long term.</p> <p>Our 2015/16 priority plans for Children and Adults therefore focused on remodelling Children's Services and further refining Adult Services with the specific aim of strengthening preventative and early intervention services, to prevent crisis and deterioration earlier and reduce the demand for our more invasive and expensive service options. We aim to reduce the dependency on institutional settings and support people to maximise their independence.</p>
<p>AGS 3</p>	<p>From a review of the arrangements applied for the 2013/14 evaluations and taking account of Member feedback, it is recommended that:</p> <ul style="list-style-type: none"> • The draft 2014/15 performance evaluations and draft 2015/16 priority plans are considered together by scrutiny working groups; • A draft 2015 Combined Performance Plan should be produced (based on the performance evaluations and priority plans) for publication and presented to an Overview and 	<p>Implemented.</p> <p>In relation to the statutory reporting requirements of the LG Measure, we continued to develop and strengthen arrangements to scrutinise the CPR, from the initial steps taken in 2014. Feedback from WAO (AIR 2015) which referred to 2014 scrutiny arrangements in place, included that Members were not clear about their role and there was an inconsistent approach. This feedback was taken account of in 2015 scrutiny arrangements for the CPR which comprised the 2014/15 performance evaluations and the draft 2015/16 priority plans. The feedback resulted in smaller, more focussed working groups of Scrutiny committees, who were assisted by the provision of potential lines of enquiry for the groups to consider and also developing and strengthening the involvement of community representatives by co opting them onto the Scrutiny Working Groups. Feedback to this revised approach from elected Members and the co opted members involved (OPAG) was positive and the Council is seeking to develop and broaden this model further in 2016. The CPR and the associated summary were considered by the Finance and Performance Scrutiny Committee (Finance and Performance Scrutiny Committee) prior to being endorsed by Council on 24th June 2015.</p>

	<p>Scrutiny Committee for consideration</p> <ul style="list-style-type: none"> Following consideration by the Overview and Scrutiny Committee, a final draft Combined Performance Report should be presented to Council and used to fulfil the Council's statutory responsibilities as set out within the Local Government (Wales) Measure 2009. 	<p>The Council subsequently received compliance certificates from the Wales Audit Office in respect of phase 1 and phase 2 reporting, indicating the Council's compliance with the requirements of the LG measure.</p> <p>Work to strengthen challenge and scrutiny processes is ongoing.</p>
<p>AGS 4</p>	<p>An annual complaints and compliments report should be prepared for 2014/15 that relates to 'all other' Council business (i.e. with the exception of Social Services complaints which is covered by separate, statutory responsibilities).</p> <p>The report should be presented early during 2015/16 to Cabinet and then at the relevant scrutiny committee. The report should aim to identify where (if) changes in service provision have occurred due to feedback provided.</p>	<p>Work in respect of this report is ongoing. It is anticipated that a report should be able to be presented towards the end of the quoted timescale of 2015/16.</p> <p>There have been issues in relation to the correlation of the records required for this report and it is anticipated that these will be resolved in due course.</p>
<p>AGS 5</p>	<p>In order to provide a more timely 'look back' at the year to which the social services annual complaints report relates, the report relating to 2014/15 should be prepared and presented for scrutiny as early during 2015/16 as practicable. Reporting earlier will ensure that any lessons learnt are formerly identified, actioned,</p>	<p>The annual report was finalised on the 25th August 2015 following a process of approval from the Group Director, Community & Children's Services and subsequently the Council's Senior Leadership Team. It was presented to Cabinet on the 24th September 2015.</p> <p>It is crucial that the Council learns from the complaints that it receives and that wherever possible, services are informed and in some instances improved. Complaints provide useful information in respect of the way that services are delivered. The Social Services Annual Report provides examples of action points that arose from complaints received during 2014/15 in both Adult and Children's Services.</p>

	scrutinised and monitored during the financial year that follows.	
AGS 6	In order for the outcomes of the annual scrutiny report to 'feed' the year that directly follows, then the Scrutiny annual report should be presented earlier in the municipal year.	<p>The AGS 2014/15 stated: <i>'A Scrutiny Annual Report summarising the work undertaken during 2013/14 was reported to Council on 29th October 2014 (O&S Annual Report 2013/14). Whilst the report related to the financial year previous to this governance statement, it highlighted some key areas where scrutiny added value to the Council but also identified areas where improvement in scrutiny could increase accountability.'</i></p> <p>At the Council's Annual Meeting on the 20th May, 2015, Members agreed to a new Scrutiny Committee Structure to support the Council in developing a more outcome focussed approach to the scrutiny arrangements, resulting in the establishment of 4 new 'themed' Scrutiny Committees with the overarching Overview & Scrutiny Committee. The comments of the Wales Audit Office in last year's Annual Improvement Report have been taken on board and are being addressed. One of the areas of concern highlighted by the WAO – <i>"The Council's 2013/14 Overview and Scrutiny Annual Report largely describes topics that the Committees have considered rather than providing a summary of the outcomes generated and/or an evaluation of the effectiveness of scrutiny arrangements"</i>; forms part of the O&S Work Programme and is also included in its Action Plan the next steps being to review the extent to which the Scrutiny Committees have delivered on their individual intents for the year and establish any changes required. It is intended that the Scrutiny Annual Report for 2015/16 will be presented to the Council's AGM on the 25th May, 2015 by the new Chair, Councillor L.M.Adams and will be different to previous years i.e. outcome focussed and not just 'descriptive'.</p> <p>Meetings between the Scrutiny Chairs and Vice-Chairs will also be held on a quarterly, or if felt appropriate, on a more regular basis and discussions will include the progress with their various Work Programmes.</p> <p>However, it must be appreciated that with this being a new structure it will take time to embed.</p> <p>Further, any recommendations that are forthcoming from any Scrutiny review are automatically presented to the Executive of the Council for their deliberation.</p>
AGS 7	More detailed information in respect of actions taken to manage strategic risks should be incorporated into the	<p>Implemented.</p> <p>During 2014/15 the Council's strategic risks were embedded into the quarterly performance reports of</p>

	<p>quarterly performance reports.</p>	<p>the Council for the first time. An example of the adopted format during 2014/15 was as follows:</p> <table border="1" data-bbox="835 252 2056 528"> <tr> <th colspan="2" data-bbox="835 252 2056 292">Keeping Rhondda Cynon Taf clean and 'green'</th> </tr> <tr> <td colspan="2" data-bbox="835 292 2056 360">Key Corporate Risks - What are the Strategic Risks being addressed by this plan and which Outcomes aim to mitigate them?</td> </tr> <tr> <td data-bbox="835 360 1839 429">Risk Description:</td> <td data-bbox="1839 360 2056 429">Outcome Reference:</td> </tr> <tr> <td data-bbox="835 429 1839 528">If the specific root causes of areas where recycling is known to be low are not identified and addressed then the amount of waste sent to landfill will not necessarily reduce resulting in financial penalties from the Welsh Government.</td> <td data-bbox="1839 429 2056 528">2</td> </tr> </table> <p>Whilst this highlighted the strategic risks to the achievement of individual improvement plans, upon reflection it did not provide the reader with the qualitative information with which to gauge progress and challenge the management of risks. With this in mind, a revised format was put in place for the 2015/16 quarterly performance reports. Again, by way of example:</p> <table border="1" data-bbox="835 711 2056 935"> <thead> <tr> <th data-bbox="835 711 920 804">SRR REF</th> <th data-bbox="920 711 1762 804">RISK DESCRIPTION</th> <th data-bbox="1762 711 1919 804">ORIGINAL RISK RATING</th> <th data-bbox="1919 711 2056 804">QTR 2 RISK RATING</th> </tr> </thead> <tbody> <tr> <td data-bbox="835 804 920 935">7</td> <td data-bbox="920 804 1762 935">If the specific root causes of areas where recycling is known to be low are not identified and addressed then the amount sent to landfill will not necessarily reduce resulting in financial penalties from the Welsh Government.</td> <td data-bbox="1762 804 1919 935">12</td> <td data-bbox="1919 804 2056 935">8</td> </tr> </tbody> </table> <p>QUARTERLY UPDATE (INCORPORATING ACTIONS TAKEN TO MANAGE)</p> <p>QTR 2 2015/16 UPDATE In Qtr 2 we have continued to work in the same way as the first quarter.</p> <p>In Qtr 2 the Awareness Team have continued to target recycling participation. We identified priority areas for the 2nd Qtr 2015/16 (Rhydyfelin, Talbot Green and have started in Ynysybwll these are currently being visited by officers via door knocking exercises to encourage participation.</p> <p>We continued to promote recycling with our younger residents through the Education Centre at Bryn Pica and continued to monitor the roll out of the 'Too Many Black Bags' scheme.</p> <p>We have commenced work on the new CRC in Treherbert and have started the replacement of the bridge into the Llantrisant Recycling Centre both of which will be opened later this year.</p>	Keeping Rhondda Cynon Taf clean and 'green'		Key Corporate Risks - What are the Strategic Risks being addressed by this plan and which Outcomes aim to mitigate them?		Risk Description:	Outcome Reference:	If the specific root causes of areas where recycling is known to be low are not identified and addressed then the amount of waste sent to landfill will not necessarily reduce resulting in financial penalties from the Welsh Government.	2	SRR REF	RISK DESCRIPTION	ORIGINAL RISK RATING	QTR 2 RISK RATING	7	If the specific root causes of areas where recycling is known to be low are not identified and addressed then the amount sent to landfill will not necessarily reduce resulting in financial penalties from the Welsh Government.	12	8
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		<p style="border: 1px solid black; padding: 2px;">Based on current performance, the risk rating remains the same as the previous quarter.</p> <p>The revised format provides the initial and up-to-date risk score along with a summary of the work that has taken place to manage the risk during the relevant quarter. It is considered that the revised format, and the information it contains, provides a more rounded summary of the ongoing work to manage the Council's strategic risks.</p>
<p>AGS 8</p>	<p>In accordance with the Terms of Reference for Audit Committee, Audit Committee will receive regular updates on how the recommendations contained within the 2014/15 Annual Governance Statement are being managed.</p>	<p>Implemented.</p> <p>Report presented to Audit Committee 7th December 2015.</p>