

RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL

MUNICIPAL YEAR 2013/14

COMMITTEE:

AUDIT COMMITTEE

7th May 2014

Item No. 6
Draft Annual Governance Statement 2013/14 – Rhondda Cynon Taf County Borough Council

REPORT OF:-

GROUP DIRECTOR, CORPORATE SERVICES

Author: Marc Crumbie (Operational Audit Manager)

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1. PURPOSE OF THE REPORT

This report provides Members with an overview of the Council's governance arrangements for the financial year 2013/14.

2. RECOMMENDATIONS

In order for Audit Committee to discharge the duties as outlined in Section A of its Terms of Reference: *“Review and recommend for certification the Annual Governance Statement”* it is recommended that Members:

- 2.1 Critically review the Annual Governance Statement (AGS), suggest any material amendments and recommend its certification by the Leader of the Council and the Chief Executive in readiness for inclusion within the Council's 2013/14 Statement of Accounts.

3. BACKGROUND

- 3.1 The Accounts and Audit (Wales) Regulations 2005 (regulation 4) states:

“Responsibility for internal control and financial management

(1) The local government body shall be responsible for putting in place and ensuring that there is a sound system of internal control which facilitates the effective exercise of that body's functions and which includes

- (a) arrangements for the management of risk; and
- (b) adequate and effective financial management.

- (2) The local government body shall conduct a review at least once in a year of the effectiveness of its system of internal control and shall include a statement on internal control, prepared in accordance with Proper Practices.”

Proper Practices are deemed to be the Code of Practice for Local Authority accounting which specifies:

“A local authority shall undertake a review of its system of internal control in accordance with best practice. Delivering Good Governance in Local Government, published by CIPFA and SOLACE, recommends that the review be reported in an Annual Governance Statement.”

- 3.2 The draft AGS relating to the activities of the Council for the 2013/14 financial year is attached at Appendix A. The format of the AGS uses the framework and principles contained within the ‘Delivering Good Governance in Local Government’ publication.
- 3.3 The document has been compiled by the Annual Governance Statement Working Group (as recommended by the Wales Audit Office), which met twice. The AGS Working Group consists of a cross section of Officers from all Groups of the Council and also includes one Member (the Chair of the Overview and Scrutiny Committee).
- 3.4 In addition to the challenge and input from the AGS Working Group, the AGS has also been reviewed and challenged by the Council’s Section 151 Officer.

4. SUMMARY

- 4.1 The overall governance arrangements within the Council for the financial year 2013/14 are considered to be robust.

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 May 2014

Report of the Group Director for Corporate Services

Author: Marc Crumbie (Operational Audit Manager).

Item	File Ref:
6. Draft Annual Governance Statement 2013/14	IA / MC
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RHONDDA CYNON TAF

ANNUAL GOVERNANCE STATEMENT

1.	Scope of Responsibility
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- 1.1 Rhondda Cynon Taf County Borough Council (The Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In addition, the introduction of the Local Government (Wales) Measure 2009 identifies that the Authority has a 'general duty to improve'.
- 1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes the arrangements for the management of risk.
- 1.3 The Council's Annual Governance Statement aims to provide an accurate representation of the governance arrangements in place for financial year ending 31st March 2014 and to highlight those areas where improvement is needed.

2.	The Purpose of the Governance Framework
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- 2.1 The governance framework comprises the systems and processes, and cultural values, by which the Council is directed and controlled and the activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
- 2.2 For Rhondda Cynon Taf County Borough Council, governance is about ensuring that the Council does the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.
- 2.3 The system of internal control is a significant part of that framework and is designed to manage the risk to a reasonable level. It cannot eliminate all risk of failure to achieve aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.
- 2.4 The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's aims and objectives, to evaluate the likelihood and impact of those risks materialising, and to manage them efficiently, effectively and economically.

- 2.5 The governance framework outlined below has been in place at Rhondda Cynon Taf County Borough Council for the year ended 31st March 2014 (and up to the date of approval of the 2013/14 annual Statement of Accounts).

3.	The Governance Framework
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- 3.1 The Council has used the Chartered Institute of Public Finance and Accounting / Society of Local Authority Chief Executives (CIPFA / SOLACE) 'Delivering Good Governance in Local Government Framework' in compiling its Annual Governance Statement. This framework illustrates best practice and recommends that local authorities must be able to demonstrate compliance with the six principles of good governance:

- Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area.
- Members and officers working together to achieve a common purpose with clearly defined functions and roles.
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
- Making informed and transparent decisions which are subject to effective scrutiny and managing risk.
- Developing the capacity and capability of Members and officers to be effective.
- Engaging with local people and other stakeholders to ensure robust public accountability.

- 3.2 The Council has applied these principles to structure its Annual Governance Statement for financial year ending 31st March 2014.

3.3 **Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area**

Developing and promoting the Council's purpose and vision for its citizens and service users

3.3.1 **Single Integrated Plan "Delivering Change"**

- 3.3.2 During 2013/14, the Council adopted the Rhondda Cynon Taf Local Service Board Single Integrated Plan (www.rctcbc.gov.uk/singleplan), "Delivering Change" (hereinafter 'The SIP'). In accordance with Welsh Government guidance, "[Shared Purpose, Shared Delivery](#)," the SIP immediately replaced a number of different partnership plans previously in place, including the:

- Community Strategy;
- Children & Young People's Plan;
- Health Social Care and Well Being Strategy;
- Community Safety Plan;
- Local Housing Strategy.

- 3.3.3 The joint vision of the Local Service Board is stated within the Single Integrated Plan "Delivering Change" as follows:

"People in Rhondda Cynon Taf are safe, healthy and prosperous."

- 3.3.4 In agreeing the SIP on the 19th March 2013 (in line with the Welsh Government deadline of 1st April), the Local Service Board communicated and set the strategic direction for organisations in Rhondda Cynon Taf. The SIP was subsequently reported to and adopted by the Full Council at its meeting held on 22nd May 2013.
- 3.3.5 The SIP is now used as the strategic driver for the Corporate Plan¹ within the Local Authority, and to shape the University Health Board's corporate priorities and the Police & Crime Commissioner's Crime Reduction Plan.
- 3.3.6 **Rhondda Cynon Taf County Borough Council's Corporate Plan 2013/14-2015/16**
- 3.3.7 In accordance with the underpinning guidance set out in the Local Government (Wales) Measure 2009, the Council produced a Corporate Plan 2013/14 – 2015/16. The Corporate Plan was presented and approved at the Full Council meeting held on 26th June 2013 ([Full Council – Approval of Corporate Plan](#)).
- 3.3.8 The Corporate Plan includes the following improvement priorities for 2013/14:
- Public health and protection – protecting people from harm and tackling anti social behaviour
 - Children and family centred services - keeping all children and young people safe and improving the life chances of vulnerable children
 - Maintaining people's independence - supporting adults and older people to live independently
 - *Education* – a top quality education for all
 - Regeneration of our communities
 - Physical Regeneration - town centre enhancement; helping the private sector bring land back to productive use and supporting local business, to benefit the local economy
 - Social Regeneration - Income maximisation initiatives, help with employability, skills training and tackling labour market disadvantage
 - Streetcare services and the natural environment – a cleaner greener County Borough
 - Medium term service planning – delivering within our means
- 3.3.9 The improvement priorities for 2013/14 were informed by the Outcomes in the Single Integrated Plan (“Delivering Change”); an assessment of performance levels; recommendations reported by external regulators; legislative changes; the increasingly difficult financial climate; feedback from stakeholders; and Welsh Government national priorities as set out within ‘Programme for Government’.
- 3.3.10 A copy of the Corporate Plan 2013/14 – 2015/16 can be found at the following link: [Corporate Plan 2013/14 – 2015/16](#)
- 3.3.11 During 2013/14, the Council's external auditor, the Wales Audit Office, reviewed the Council's Corporate Plan in line with their statutory responsibilities. A full copy

¹ Corporate Plan – a public document produced annually and approved by the Full Council of RCTCBC each year, setting out its improvement priorities for the financial year ahead

of the report was presented to Council on 27th November 2013 (Item 7 - [WAO Improvement Assessment](#)). In summary, their conclusion was that:

'.....the Council's improvement objectives and its annual improvement plan, the Corporate Plan 2013-14 – 2015-16, (the Plan), met the requirements of the Measure for 2013-14.

The Council published its Plan in June 2013, setting out the Council's seven priorities for improvement over the next three years. The Plan has a clear structure, and uses plain language to outline the improvement priorities and the detail of them. The Plan explains the rationale for the selection of improvement priorities, the outcomes the community can expect if they are achieved, and illustrates the information that will be used to measure the impact. The Plan sets out the activities designed to help achieve the specified outcomes that include critical improvement actions, milestones and measures of performance.'

3.3.12 The WAO Improvement Assessment did provide feedback where the Council has scope to improve in this aspect of its work as follows:

'My audit and assessment work has identified scope to strengthen the Plan in one important aspect. Where the Council is using performance indicators (whether statutory, standard or local) as measures of success in achieving its improvement objectives, baseline and targeted performance data is needed to clearly express the scale of the Council's improvement ambitions. In the current version of the Plan, this necessary data is missing from a significant proportion of success measures. I describe this issue in more detail in the next section of this letter.

The Council should also act more in accordance with Welsh Government guidance to publish its improvement plans and performance information in ways which facilitate wider engagement with those it serves and to stimulate dialogue on its priorities and progress towards meeting them. The Council considers the Corporate Plan to be a technical document, and therefore of limited public interest. However, the two-page summary does not contain sufficient information to provide a general readership with a fair and balanced overview of the Council's priorities and improvement objectives, and how these are intended to improve outcomes for citizens.'

Rhondda Cynon Taf County Borough Council's Annual Delivery Report

3.3.13 In October 2013, the Council produced a document called an Annual Delivery Report that assessed the Council's performance against its improvement priorities for the 2012/13 financial year.

3.3.14 The Annual Delivery Report used the Council's Performance Indicators in order to measure progress and delivery. Within the Improvement Assessment letter from the Wales Audit Office dated 16th October 2013, reference was made to the Council's performance management arrangements:

'.....the Council's ability to monitor and evaluate progress in achieving its improvement priorities may be compromised:

- *For some improvement priorities, whilst measures of success are defined the Council has chosen not to set targets for achievement but rather to monitor direction of travel over time.*

- *In improving its Plan this year the Council has introduced some new local success measures. For these new measures, reliable baseline data will not be available until the end of 2013-14, so the Council has been reluctant to set targets.*
- *In some instances where targets have been set in relation to specific measures of success the rationale for that target is not set out in the Plan. A clear rationale would be helpful in understanding the scale of the Council's improvement ambition in the context of the challenges it faces, particularly where future targets represent a maintenance or reduction in performance over time.*
- *My audit of a sample of local success measures identified instances where their definition was unclear and, in some cases, inconsistent with the data being collected. Also, there are no routine quality assurance processes in place for checking the accuracy of some local measures.*

The Council recognises that it needs to address these important issues. Accordingly, it has commissioned Internal Audit to undertake an urgent review of a wider sample of its locally defined success measures in order to gain assurance as to their quality and accuracy, and to identify the rationale for any associated targets. The findings of this work will be used to inform member scrutiny of the Council's Annual Review and Evaluation of Performance 2012-2013 prior to its publication in October 2013.'

3.3.15 Internal Audit undertook a review of 28 local performance indicators in September 2013, the outcome of the review resulted in assurance being provided for 20 of the performance indicators with recommendations made to strengthen the controls in place around the Council's performance management arrangements. The findings of the Internal Audit work resulted in 8 performance indicators not being included/referred to in the Annual Delivery Report.

3.3.16 In an effort to increase scrutiny of key documents such as the Annual Delivery Report, each Scrutiny Committee was asked to 'review and challenge' the draft assessment prior to submission to Full Council. Following this process, the Annual Delivery Report was reported to and approved by Full Council on 30th October 2013 (Item 6 - [Annual Delivery Report](#)).

Ensuring that users receive a high quality of service by working in collaboration

3.3.17 The Council works in partnership with a number of organisations in order to provide services to users that are of the highest possible quality. Examples of such arrangements include the Cwm Taf Safeguarding Children Board, the Central South Consortium Joint Education Service and the Joint Waste Procurement Project.

Cwm Taf Safeguarding Children Board

3.3.18 The Cwm Taf Safeguarding Children Board (CTSCB) is the operating title of the former Rhondda Cynon Taf Local Safeguarding Children Board and Merthyr Tydfil Local Safeguarding Children Board which merged in June 2012 to form the Cwm Taf Board. It is a multi-agency partnership which coordinates the safeguarding of children in the area. It is made up of the following statutory partners: Cwm Taf University Health Board, South Wales Police, Wales Probation Trust, Rhondda Cynon Taf and Merthyr Tydfil County Borough

Council's Children's Services, Education, Youth Offending Service, Housing Services and the Voluntary Sector.

- 3.3.19 The primary responsibility of the CTSCB is to co-ordinate the work of partners to safeguard and promote the welfare of children and ensure its effectiveness. It monitors how well agencies and other partnerships undertake their work with regard to safeguarding and ensures safeguarding is embedded in all working practices.
- 3.3.20 The Cwm Taf Safeguarding Children Board aims to meet its statutory requirements as prescribed in section 32(1); of The Children Act 2004 by ensuring the following are met:
- to coordinate what is done by each person or body represented on the Board for the purposes of safeguarding and promoting the welfare of children in the area of the authority by which it is established ; and
 - to ensure the effectiveness of what is done by each such persons or body for those purposes.
 - to ensure that partner members fulfil their obligations for disseminating the Board's information to their own organisation
- 3.3.21 The Cwm Taf Safeguarding Children Board's aim is to ensure that policies and procedures are in place to protect children and that they are properly co-ordinated under Section 28 of the Children Act 2004.
- 3.3.22 The first annual report of the CTSCB for 2012/13 was presented to the Council's Community & Children's Service Scrutiny Committee on the 28th January 2014 ([CTSCB - Annual Report 2012/13](#)).

Central South Consortium Joint Education Service

- 3.3.23 The Central South Consortium Joint Education Service (CSC) replaced the Education & School Improvement Service (ESIS) with effect from 1st September 2012 and serves:
- Bridgend County Borough Council;
 - Cardiff Council;
 - Merthyr Tydfil County Borough Council;
 - Rhondda Cynon Taf County Borough Council; and
 - Vale of Glamorgan County Borough Council.
- 3.3.24 The responsibilities of the CSC, combined, cover the needs of approximately 426 schools and 144,000 pupils in the region of the Central South Consortium Joint Education Service.
- 3.3.25 The CSC aims to work alongside schools to enable headteachers to lead improvement within and across schools, to develop and share practice and increase opportunities for constructive challenge and disciplined support.
- 3.3.26 The CSC is hosted by Rhondda Cynon Taf County Borough Council for the purposes of an employing authority and provision of back office functions (HR, finance, legal and IT). The legal agreement sets out the financial agreements that the host may enter into for the provision of services in the delivery of host

functions. All staff are employed under Rhondda Cynon Taf County Borough Council's terms and conditions and the main operating procedures (HR, Financial Procedure Rules and Contract Procedure Rules for example) belong to that of the host.

- 3.3.27 The CSC has a Joint Committee the terms of reference for which are included within the Legal Agreement. The Joint Committee consists of two elected Members from each Council from the consortium together with one senior officer representative with responsibility for Education from each Council.

Joint Waste Procurement Project

- 3.3.28 Tomorrow's Valley Joint Waste Procurement Project is a partnership process between Rhondda Cynon Taf, Merthyr Tydfil and Newport Councils.

- 3.3.29 The first strand of the partnership has been delivering a waste treatment solution that will deal with all food waste collected by the partner authorities and create green energy for 1,500 homes.

- 3.3.30 The results of the procurement exercise means a processing plant has been designed, and is currently being built at the Council's Bryn Pica site. The three authorities will provide guaranteed tonnages to the facility and will pay a gate fee for every tonne of material they each supply.

- 3.3.31 As lead Authority for the project the Council has entered into a legal contract with the contractor. A separate inter-authority legal agreement sets out the terms and conditions governing the relationship between the three authorities including governance arrangements overseen by a Project Board.

3.4 **Members and officers working together to achieve a common purpose with clearly defined functions and roles**

Setting out clear roles and responsibilities

- 3.4.1 The Council's Constitution was adopted in May 2002 and sets out how it should operate, how decisions need to be made and the procedures to be followed to ensure they are efficient, transparent and available to local people. Since that time, amendments have been made with the aim of ensuring the document remains fit for purpose.

- 3.4.2 An overview is provided in Part 1 of the Constitution (Summary and Explanation) and Part 2, Articles of the Constitution explain the right of citizens and how key parts of the Constitution operate including the roles and responsibilities of Council, the Executive, the Overview and Scrutiny Committee, the four Service Scrutiny Committees, Regulatory Committees (Planning & Licensing), Democratic Services Committee; and the roles and responsibilities of senior officers, specifically the Head of Paid Service (Chief Executive), Chief Finance Officer (Corporate Services Group Director) and Monitoring Officer (the Director of Legal and Democratic Services).

- 3.4.3 Terms of reference are in place for Council, Standing Committees and other committees, these being last updated in May 2012. In addition, terms of reference were established for a new committee, the Corporate Governance & Constitution Committee, that met for the first time on 10th October 2013 ([Corporate Governance & Constitution Committee](#)). During 2013/14 the Corporate Governance & Constitution Committee began the process of reviewing the 'All Wales Modular Constitution', the recommendations thereafter will be presented to Council during 2014/15.
- 3.4.4 Forward work programmes for Cabinet, the Overview and Scrutiny Committee and the four Service Scrutiny Committees are available on the Council's internet site. Each work programme set out the specific meetings that would consider financial and operational performance information together with other key themes within the terms of reference of each scrutiny committee.
- 3.4.5 The Council's Chief Executive (as Head of Paid Service) leads the Council's officers and chairs the Corporate Management Team. The Corporate Management Team also consisted of:
- The Corporate Services Group Director (the position designated to fulfil the statutory role of Section 151 officer i.e. the Chief Finance Officer)
 - The Director of Legal and Democratic Services (the Monitoring Officer)
 - The Group Director for Community and Children's Services
 - The Director of Education and Lifelong Learning
 - The Group Director of Environmental Services
 - The Director of Human Resources
- 3.4.6 During September 2013 the Chief Executive announced his intention to retire on the 24th March 2014. Following the required recruitment process, the Council's Appointments Committee resolved to appoint a successor (the then Group Director Corporate Services within Rhondda Cynon Taf County Borough Council) at their meeting dated 18th October 2013 with the decision being ratified by Full Council on the 30th October 2013.
- 3.4.7 As a direct result of the appointment of the 'new' Chief Executive and as part of the Council's workforce planning arrangements, a review was undertaken of the Council's Senior Financial Management Team. The outcome of the review was presented to the Appointments Committee held on the 19th November 2013. The Appointments Committee resolved to recommend to Council the appointment to the posts of Group Director Corporate Services (Section 151 Officer) and Director of Financial Services. The posts were filled with existing senior officers.
- 3.4.8 The recommendations of the Appointments Committee were ratified by Full Council on the 27th November 2013.
- 3.4.9 During 2013/14 and in accordance with best practice, the statutory role of Section 151 officer within Rhondda Cynon Taf County Borough Council (Chief Financial Officer) complied with the principles outlined in the CIPFA document 'The Role of the Chief Financial Officer' as follows:

- 1 is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest;
- 2 is actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy; and
- 3 leads the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the Chief Financial Officer:

4. leads and directs a finance function that is resourced to be fit for purpose; and
- 5 is professionally qualified and suitably experienced.

3.4.10 At an officer level, a scheme of delegation framework was in place setting out the levels of authority assigned to pre-determined posts. During February 2014 a review of the Scheme of Delegation template commenced, the template was updated and a team put in place tasked with ensuring the contents of the new template were being consistently applied across the Council.

Effective communication between elected Councillors and officers

3.4.11 A protocol is in place, 'Protocol for Member/Officer Relations' to promote the effective communication between elected Councillors and officers. More specifically, an elected Councillor has been allocated specific responsibility to review, in consultation with the Council's Director of Financial Services, each quarterly Performance Report and summarise financial and operational performance results, areas of positive performance and also where improvements were required. The outcome of these reviews were quarterly Exception Reports for the five Overview and Scrutiny Committee and each of the four Service Scrutiny Committees to help elected Councillors focus on the most important issues at each meeting. Full copies of quarterly Performance Reports were also made available via the website.

Terms and conditions of elected councillors and officers

3.4.12 Every elected Councillor has signed up to his/her individual Role Description which is published on the Council's website and inserted into the Constitution (Part 8). A 'Record of Payments to Members' for the 2012/13 financial year was published in the September 2013 edition of the Council's newspaper, Outlook.

3.4.13 Employees have contracts of employment and competency based job descriptions which set out grade, roles and responsibilities. The Human Resources Service oversees terms and conditions of employment and the Council has a suite of policies and procedures that are available on the internal Intranet for officers to access.

3.4.14 In line with the Accounts and Audit (Wales) Regulations 2005 (as amended), local authorities must disclose in their accounts the number of employees whose remuneration in the year fell in each bracket of a scale in multiples of £5,000 commencing at £60,000 (excluding employer pension contributions). This requirement was met within the Council's Statement of Accounts for 2013/14

Clarity of roles for partnership working

- 3.4.15 Following publication and adoption of the SIP, the structure of Strategic Partnership Boards in Rhondda Cynon Taf was refreshed and refocused to reflect the outcomes the Local Service Board are aiming to achieve. It was agreed to establish three Strategic Partnership Boards, 'Safety'; 'Health' and 'Prosperity'.
- 3.4.16 In line with the Audit Commission report, "Governing partnerships" (2005), the revised partnerships agreed new Terms of Reference in 2013, outlining key principles to inform, promote and manage collaborative arrangements and help ensure that these operate efficiently and effectively. It was agreed that each quarterly meeting of the Local Service Board would focus on one outcome of "Delivering Change", with the final meeting of the year serving as an annual review.
- 3.4.17 Alongside revised partnership arrangements, a Local Service Board scrutiny function was also introduced in 2013/14. The [function and Terms of Reference](#) of this group were approved by the Council's Overview & Scrutiny Committee in April 2013.
- 3.4.18 A regional board, the Cwm Taf Regional Collaboration Board, which consists of public service leaders across Merthyr Tydfil and Rhondda Cynon Taf also exists to facilitate public service reform and collaboration, through focussing on national deliverables and a set of key partnership projects to drive forward improvement in public services at a regional level (Terms of Reference as agreed in March 2012). The Board met five times during 2013/14.

3.5 **Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour**

- 3.5.1 Good governance flows from a shared ethos and culture, as well as from systems and structures. As a public body, Rhondda Cynon Taf County Borough Council expects all representatives (i.e. Members and Officers) to conduct their duties with the highest levels of honesty and integrity. Policies underpin the culture in place.
- 3.5.2 The Council has a series of codes, protocols and policies in place including:
- Codes and Protocols**
- Members' Code of Conduct
 - Protocol Standard of Conduct expected by members
 - Officers' – 'Basic Rules' Booklet
 - Protocol for Member/Officer Relations
- Policies**
- Financial Procedure Rules;
 - Contract Procedure Rules;
 - Anti-Fraud, Bribery & Corruption Policy and Procedure;
 - Whistleblowing Policy;
 - Human Resources policies
 - Gifts and Hospitality Policy

3.5.3 Where Members and/or Officers do not undertake their duties in accordance with the expected standards then the Council's governance arrangements are in place to manage this process in an equitable, fair and transparent manner.

Defined standards of behaviour for elected councillors

3.5.4 A Members' code of conduct is in place setting out the standards that are expected by elected Councillors in fulfilling their roles. All elected Councillors signed up to the code following the local government elections in May 2012.

3.5.5 In addition, a 'Standard of Conduct Expected by Members' is in place, setting out the expected conduct of elected Councillors when dealing with each other. The Terms of Reference for the Council's Standards Committee ([Standards Committee - TOR Page 62](#)) has a key responsibility in ensuring that Councillors have undergone the necessary Code of Conduct training, this is also monitored by the Democratic Services Committee.

3.5.6 The Council's Standards Committee met on 5 occasions throughout 2013/14, a primary responsibility being to monitor the conduct of Members and also investigate allegations of misconduct by Members (that fall below the threshold for investigation by the Public Services Ombudsman Wales).

3.5.7 All complaints relating to the conduct of elected members are referred to the Public Services Ombudsman. The Public Services Ombudsman is currently investigating two cases.

Defined standards of behaviour for officers

3.5.8 The Council has a number of recruitment and selection Policies in place that help to ensure that new recruits have the integrity and ethical values of the organisation and also the competencies to undertake the duties required of them.

3.5.9 Each new recruit is provided with the 'Basic Rules – A Guide For Employees' booklet that gives each employee information in relation to (amongst other things) expected behaviour, use of social media, appearance and attendance. The expectations of each employee are set out from the very outset.

Procedures for monitoring compliance with the Gifts & Hospitality Policy

3.5.10 A gifts and hospitality register is maintained by the Director of Legal and Democratic Services for elected Councillors and by each Group Director at an officer level.

Customer Care Charter

3.5.11 The Council has a Customer Care Charter in place that sets out the standards the Council seeks to achieve when dealing with customers on a day to day basis. The Charter includes key aims and also includes a suite of measurable 'Service Standards' by which customers can assess the Council in terms of the service it has delivered. This is implemented through its key contact arrangements.

- 3.5.12 Compliments received are acknowledged and brought to the attention of the manager and staff member(s) concerned. Comments received should be acknowledged and once evaluated, used to improve service delivery (if possible).
- 3.5.13 Beyond this a separate [Complaints & Concerns Policy](#) was established in March 2013. The Policy sets out the protocols in place when the Council receives and investigates any complaint made against its officers. Complaints are dealt with in two stages. In the event that the customer is dissatisfied, customers are advised to refer the matter to the Public Services Ombudsman for Wales.
- 3.5.14 The Complaints & Concerns Policy does not apply to, for example, complaints relating to Social Services. These are dealt with separately by the Representation and Complaints Unit (within the Community and Children's Services Group) and provide an opportunity for service users and carers to:
- Make complaints, comments and representations about the nature, quality, availability or delivery of a service
 - Suggest improvements
 - Challenge decisions.
- 3.5.15 There are separate sets of regulations for services to children and adults and these were brought together into a common framework and one body of guidance called 'Listening and Learning'. The Representations and Complaints Unit policy reflects the key themes and principles contained in the 'Listening and Learning' guidance.
- 3.5.16 On the 4th December 2013, the Community and Children's Services Scrutiny Committee considered a Social Services Annual Complaints Report for 2012/13 ([Annual Complaints Report](#)). The conclusion from the annual report was that: *'Social Services continue to provide a robust and effective complaints procedure in line with the statutory requirements. Complaints are seen as providing valuable customer feedback, with the information from complaints providing valuable lessons learnt when planning and improving services to meet the needs of our customers.'*
- 3.6 **Taking informed and transparent decisions which are subject to effective scrutiny and managing risk**
- 3.6.1 The [Council's Constitution](#) sets out how the Council must operate and the process for policy and decision-making.
- 3.6.2 Full Council is made up of seventy five elected Councillors. The Cabinet consists of ten elected Councillors:
- A leader
 - A deputy leader
 - Eight Cabinet members
- 3.6.3 Full Council is required by law to approve, amongst other things, the Council's annual revenue budget, three year capital programme, annual Treasury Management Strategy and the formal Council Tax resolutions each year – these being reported to and approved by Council during February and March 2013 for the 2013/14 financial year. Other decisions are the responsibility of the Executive

(Cabinet). Cabinet meetings are open to the public except where items are exempt under the Access to Information Procedure Rules.

Develop and maintain open and effective mechanisms for documenting evidence for decisions

3.6.4 All committee agendas and reports were made public on the Council's internet site 5 working days prior to the meeting (excluding special / extraordinary meetings).

3.6.5 Where decisions were taken by Council and / or Cabinet throughout 2013/14, these have been based on written reports that set out key information (including Equality Impact Assessments where appropriate, and financial and legal implications) and options for elected Councillors to consider. The meetings were open to the public except for those exempt under the Access to Information Procedure Rules. Where decisions were made, Decision Notices were published on the Council's internet site.

Develop and maintain an effective scrutiny function which encourages constructive challenge

3.6.6 The Council's Constitution allows a decision made by the Cabinet or a Committee of the Cabinet to come into force and may then be implemented on the expiry of 5 clear working days following publication of the decision unless any 3 Scrutiny Members (from at least 2 political groups) objects to the decision. Following receipt, by the Monitoring Officer of the Call-in form duly signed by the 3 Scrutiny Members setting out the reason for the call-in, the appropriate Scrutiny Chair is informed and he/she shall convene a meeting of the Overview and Scrutiny Committee or relevant Service Scrutiny Committee on such a date as he/she may determine and the meeting will be held within 5 clear working days of the decision to call-in.

3.6.7 There may be occasions, in exceptional/reasonable circumstances, whereby a decision of the Cabinet or a Committee of the Cabinet is considered urgent and not to be the subject of any call-in. In such instances, the reasons are set out in the Decision Notice and signed by the Proper Officer and also the Mayor.

3.6.8 For the 2013/14 financial year, there were 2 call-ins.

- Medium term service planning – service change proposals Phase 1 – school admission arrangements.
- Review of School Catchment Area.

Both call-ins were considered by the Education & Lifelong Learning Scrutiny Committee. The Education & Lifelong Learning Scrutiny Committee upheld the original decision made by Cabinet.

3.6.9 The Overview and Scrutiny Committee and the four service scrutiny committees, scrutinised areas as set out in their agreed work programmes for the year 2013/14. A Scrutiny Annual Report summarising the work undertaken for 2012/13 was reported to Council on 24th July 2013 ([O&S Annual Report 2012.13](#)).

Develop and maintain an effective Audit Committee

- 3.6.10 Revisions were made to the membership of Audit Committee in line with the Local Government (Wales) Measure 2011 during 2012 which resulted in the appointment of a layperson to the committee who was subsequently appointed as Chairperson. This arrangement remained in place during 2013/14. The Council's Audit Committee met on 8 occasions during 2013/14.
- 3.6.11 The Audit Committee made specific recommendations throughout the year based on information presented. The key recommendations were:
- That the 2012/13 Annual Governance Statement be certified by the Chief Executive and Leader of the Council.
 - Reviewed and commented upon the Council's draft financial statements prior to approval by Council.
 - As part of a continued programme to develop the knowledge of audit committee members, they received briefings on governance, the process involved in administering DBS checks, an overview of the Financial Procedure Rules and they approved the revised Anti-fraud, Bribery and Corruption Policy and Procedure.
 - The audit committee received the updated Risk Management Strategy.
 - Following concerns raised by Audit Committee they requested a full review of all staff commencing duties within a school environment in order to receive assurance that the appropriate DBS processes had been followed ([Item 3 - DBS Checks](#)).

Arrangements to safeguard elected councillors against conflicts of interest

- 3.6.12 For all committee meetings held, a standard agenda item for each meeting is 'Declarations of Interest', whereby members of the committee declare any personal interests in accordance with the code of conduct. This information is recorded, appropriate action taken (for example, the declaration 'noted' and if a declaration is of a prejudicial nature then member leaves the meeting at the point of discussing the specific agenda item) is included in the publicly available minutes of each meeting.
- 3.6.13 During 2013/14 a new declaration form was introduced and members were given the opportunity to attend training sessions (37 members attended these sessions). Over and above this, a training session was delivered at a meeting of Full Council (where 60 members attended) on the 15th January 2014.

Embedding risk management into the culture of the Council

- 3.6.14 The Council has in place a range of processes and procedures to identify, manage and mitigate risk as far as are reasonably practicable in the delivery of its services. These include asset, financial, human resource and performance management arrangements together with an Internal Audit function, and play a central role in helping the Council deliver, in general, positive performance results.
- 3.6.15 As part of an on-going review of these activities, the Council's revised Risk Management Strategy setting out the overall purpose and framework of risk management within the Council was approved by Cabinet on the 19th March 2014 ([Item 6 - Risk Management Strategy](#)).

- 3.6.16 At this meeting, Cabinet resolved that a programme of work commences to update existing governance arrangements to comply with the strategy, as follows:
- Report the approved Risk Management Strategy to Audit Committee;
 - Establish a suite of Strategic Risks linked to the Council's improvement priorities; and
 - Establish arrangements to publicly report updates on Strategic Risks linked to the Council's improvement priorities.

3.6.17 The Risk Management Strategy was reported to the Council's Audit Committee on 31st March 2014. Work to devise the strategic risk register along with developing the reporting arrangements of the strategic risks will take place during the early part of 2014/15.

3.6.18 The absence of a formal risk management strategy and risk register was identified as a significant governance issue facing the Council during 2013/14. Considerably work has been undertaken in order to address these issues and progress is well underway to embed risk management within the Council. The risk management toolkit will also help Managers during 2014/15 to identify and manage risks.

3.7 **Developing the capacity and capability of members and officers to be effective**

3.7.1 The Council aims to ensure that Members and employees of the Council have the skills, knowledge and capacity they need to discharge their responsibilities and recognises the value of well-trained and competent people in effective service delivery.

Elected Councillor Training & Development

3.7.2 The Authority has in place a Member Development Strategy which has been adopted by the Democratic Services Committee. The Strategy aims to demonstrate the Council's commitment to Member development and highlights that Members have the ability to determine their own unique path of learning throughout their terms of office, by ensuring continual dialogue with officers responsible for delivering and facilitating learning opportunities.

3.7.3 Together with the criteria as set by the WLGA, the Strategy is used as a tool for maintaining the Advanced Charter in Member Support Wales. The Authority attained the first level of the Charter in 2007 and the Advanced Charter in 2010.

3.7.4 Members are consulted on an annual basis on development opportunities that may be incorporated into the 'Elected Member Development Programme'. The programme aims to include a diverse range of courses for members.

3.7.5 Training sessions for Members were delivered in a range of ways from formal sessions to one-to-one sessions.

3.7.6 Personal Development Reviews are the way for a Member and/or officer to mutually assess a Member's personal development needs (set within the context of the role of the Member), his/her aspirations for what he/she hopes to achieve, the purpose and aspirations of the Council and the needs of the Community.

- 3.7.7 The purpose of the PDR is to enable Members to build confidence, develop skills and knowledge and improve their own performance and contribution to the Council and the Community.
- 3.7.8 All Members and co-opted Members to other Committees such as Overview and Scrutiny have a Role Description and are given the opportunity to undergo a PDR.
- 3.7.9 PDR's are not performance reviews or appraisals or indeed an assessment of how well or how bad a Member has conducted their duties. It is purely a review of training and development needs and is held in the strictest of confidence between the reviewer and the reviewee.
- 3.7.10 Whilst the systems are in place that aim to ensure Members can be effective in their role, the take up for some courses during 2013/14 was lower than anticipated and this matter is being monitored by the Democratic Services Committee and through the PDR process. Member Development Conferences are held on a quarterly basis prior to meetings of the Council to try and achieve a higher level of Member attendance and Members receive presentations on, for example, Welfare Reform, Affordable Warmth and training on Corporate Parenting.

Workforce Development

- 3.7.11 The Council has a Workforce Development Strategy that aims to ensure it develops a motivated, appropriately skilled, diverse and outward-looking workforce capable of delivering high quality services to the Community it serves. Workforce planning also formed a key part of the Council's Medium Term Service Planning improvement priority area.
- 3.7.12 To support the Workforce Development strategy, a Managing People and Performance Managers Guide and a separate Employee Booklet is in place. These documents aim to support managers and employees to get the most from workforce development discussions via a performance focused, flexible approach. The Human Resources Service is working to help ensure these processes are embedded into the culture of services. During 2013/14 the Human Resources Service held a number of sessions with Managers in order to receive feedback on the approach with the aim of providing help and advice and also to ensure that the corporate framework is being implemented.
- 3.7.13 A range of training and development activities have taken place during the year together with specific initiatives to develop the workforce over the longer term.

Statutory officers have the skills, resources and support necessary to perform their roles effectively

- 3.7.14 Business and budget planning arrangements ensured that necessary resources and plans were in place to meet the responsibilities of statutory officers. This included the resource levels to maintain robust financial management arrangements and the timely closure of accounts.

Ensuring an organisation structure is in place to encourage development

3.7.15 The organisation structure for the Council is in line with the revised pay and grading arrangements introduced in June 2011. A number of approved temporary positions and honorarium arrangements have been in place during the year to support specific projects and allocation of additional responsibilities. Where this is the case, it has provided officers with opportunities to learn new skills with the aim of further enhancing future employment prospects.

3.8 Engaging with local people and other stakeholders to ensure robust public accountability

3.8.1 As part of the SIP, a cross-partnership public engagement strategy, 'Involving People', was published for consultation during September – December 2012 and approved by the Local Service Board on 19th March 2013. This sets out four key principles for the Council and partner organisations to encourage individuals from all sections of the community to engage with the work of the Council and its partners. These include:

- A consistent approach to public engagement;
- ensuring engagement is core business;
- promoting and publicising engagement opportunities and;
- developing better ways of communicating

3.8.2 'Involving People' aims to increase meaningful engagement within the planning and implementation of service delivery within Local Authority, Health, Police and Voluntary services. 'Involving People' underpins the engagement for the SIP which sets the strategic direction for partnership working in Health, Safety and Prosperity.

3.8.3 In addition to the 'Involving People' strategy, during May 2013 the Council adopted the National Principles for Public Engagement in Wales.

3.8.4 The Council has a joint Citizen Panel with Merthyr Tydfil County Borough Council who can take part in consultation and engagement activity as and when required.

3.8.5 A collaborative arrangement commenced during 2012/13 with Merthyr Tydfil County Borough Council to establish a joint consultation and engagement project to enable a coordinated partnership approach to consultation activity across the Local Service Boards of both areas, under the lead of the Cwm Taf Regional Collaboration Board.

3.8.6 This project runs until December 2014 and in 2013/14 delivered the following;

- Development of an online consultation Hub to enable the public to view all engagement activity from partners in one place and for partners to be able to join up and deliver projects directly through the hub. Alongside the main project is the development of a young person's version.
- The Joint Citizen's Panel.
- A programme of training in consultation and engagement for staff in all partner organisations.
- The first steps to the introduction of a joint engagement strategy, building on the work already undertaken in Rhondda Cynon Taf.

- Investigated the use of social media as a method to engage with the community.
- 3.8.7 In order to maximise opportunities to collaborate and to also reduce duplication, an annual consultation and engagement audit is undertaken across Council services and its partners to establish what activity is planned for the year ahead.
- 3.8.8 In 2013/14 the Council undertook a wide range of consultation, activity included:
- Budget Consultation 2014/15
 - Service Changes Phase 1
 - Service Changes Phase 2
 - Empty Property Survey
- 3.8.9 The Council feeds back the results of consultation and engagement using a variety of methods including online, the Cwm Taf Consultation Hub and newsletters.
- 3.8.10 Results of specific consultation activities are reported to service managers and where appropriate the reports may be fed back to the Council's Corporate Management Team and/or Cabinet. For example, the results of the Council's annual revenue budget consultation process and the service change consultation phases were reported to Cabinet.
- 3.8.11 To help ensure robust public accountability the Council also has a Publication Scheme which is issued in accordance with its responsibilities under the Freedom of Information Act 2000.
- 3.8.12 The Council's Information Management plan sets out a framework for Information Management. It provides a comprehensive and corporate approach to all aspects of information management and assurance. It seeks to apply consistent, corporate policies and standards of information management across all Council held electronic and paper based information, provide awareness and training to employees and enable effective information sharing across our wider collaboration and partnership agenda. In doing so, it reflects the increasing legal framework that is now imposed on public sector bodies through legislation such as the Data Protection Act (1998), Freedom of Information Act (2000), Computer Misuse Act (1990) and the requirements for respect for private life and freedom of expression under the Human Rights Act 1998. In addition, the arrangements seek to embrace good practice standards by the Information Commissioners Office and the Wales Accord for the Sharing of Personal Information (WASPI).
- 3.8.13 During April 2013 the Wales Audit Office undertook a review of information management and concluded that *"Good progress has been made on all six proposals for improvement, strengthening and broadening the Council's arrangements for the governance and management of its information asset."*
- 3.8.14 A key component of the Council's arrangements is to ensure 'accreditation' to the Public Service Network (PSN) on an annual basis. The 'PSN' is the Council's connection to the wider public sector network (Council to Council. Council to Government e.g. DWP etc) to enable the Council to communicate and share data

securely across all public bodies. The Council must meet rigorous compliance requirements and attain re-accreditation in September 2014.

4 Group Companies

- 4.1.1 Rhondda Cynon Taf CBC holds 100% of the voting rights of Amgen Cymru Ltd., who in turn hold 100% of the voting rights of Amgen Rhondda. The Council also holds 100% of the allotted preference shares in Amgen Rhondda Ltd. The principal activities of Amgen Cymru is to provide waste management services and waste disposal facilities. Amgen Rhondda is responsible for the stewardship of the Nant y Gwyddon landfill site.
- 4.1.2 The directors of the companies are responsible for ensuring there are sound governance arrangements including a robust system of internal control.
- 4.1.3 The Council removed the “arms length” status of the companies during 2009/10, therefore many of the aspects of the Council’s governance arrangements such as policies, processes and controls apply to the companies.
- 4.1.4 During 2013/14, there have been no significant governance issues that have been identified by the Amgen Company directors, internal auditors or external auditors.

5. Pension Fund

- 5.1.1 Rhondda Cynon Taf County Borough Council is the Administering Authority for the Rhondda Cynon Taf Pension Fund. Whilst the governance arrangements detailed in this statement apply equally to the Council’s responsibilities to the Pension Fund there are further specific requirements for Pension Funds which are detailed in a number of key documents:
- Governance Statement of Compliance which indicates the Fund’s position against the Government’s best practice standards;
 - Governance Policy Statement which provides an overview of the management structure, decision making and employer engagement;
 - Communication Policy Statement which details the communication and information services to participating employers and scheme members;
 - Pension Fund Administration Strategy which seeks to improve efficiency in the delivery of agreed standards of quality and to ensure compliance with statutory requirements;
 - Statement of Investment Principles which details how Fund investments are managed;
 - Funding Strategy Statement which provides a summary of how we will fund our pension liabilities.

All of these documents can be found at the following link:

www.rctpensions.org.uk

During 2013/14 no significant governance issues have been identified with regard to the Pension Fund.

6.	Review of Effectiveness
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6.1 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work conducted by external agencies, internal arrangements as well as performance management arrangements.

6.2 Throughout 2013/14 the Council's system of internal control has been continuously reviewed and monitored in a number of ways. Examples of inspections from key regulators include:

Wales Audit Office (the Council's appointed External Auditor)
Improvement Assessment

6.3 The Wales Audit Office issued its Improvement Assessment Letter on the 16th October 2013. The Letter was reported to [Council on the 27th November 2013](#) with the high level feedback being:

- The Council has discharged its improvement planning duties under the Measure. However, it should ensure that it acts more in accordance with Welsh Government guidance.
 - the Council's improvement objectives and its annual improvement plan, the *Corporate Plan 2013-14 – 2015-16*, (the Plan), met the requirements of the Measure for 2013-14.
 -scope to strengthen the Plan in one important aspect. Where the Council is using performance indicators (whether statutory, standard or local) as measures of success in achieving its improvement objectives, baseline and targeted performance data is needed to clearly express the scale of the Council's improvement ambitions.
 - The Council should.....publish its improvement plans and performance information in ways which facilitate wider engagement with those it serves and to stimulate dialogue on its priorities and progress towards meeting them.
-the Council is likely to comply with the requirement to make arrangements to secure continuous improvement during this financial year.
 - The Council continues to make good progress in addressing the proposals for improvement identified in previous assessments.
 - The Council is taking action to strengthen its arrangements to monitor, evaluate and report progress against its improvement objectives
 - In general, the intended direction of travel is clear.....however; in combination, the following issues mean that the scale of and rationale for the Council's ambition is unclear and/or, more crucially, that the Council's ability to monitor and evaluate progress in achieving its improvement priorities may be compromised:
 - For some improvement priorities, whilst measures of success are defined the Council has chosen not to set targets for achievement but rather to monitor direction of travel over time.
 -the Council has introduced some new local success measures.....reliable baseline data will not be available until

- the end of 2013-14, so the Council has been reluctant to set targets.
- In some instances where targets have been set in relation to specific measures of success the rationale for that target is not set out in the Plan. A clear rationale would be helpful in understanding the scale of the Council's improvement ambition in the context of the challenges it faces, particularly where future targets represent a maintenance or reduction in performance over time.
 - My audit of a sample of local success measures identified instances where their definition was unclear and, in some cases, inconsistent with the data being collected. Also, there are no routine quality assurance processes in place for checking the accuracy of some local measures.
 - This is the first year that the Council will use scrutiny committees to examine and challenge the content of its public performance report prior to its approval by full Council. This challenge process is good practice and should remain a permanent fixture in the Council's forward planning calendar. My staff have agreed to facilitate 'post-project' learning with Council officers and members later this year. The Council also intends to subject its target setting arrangements to member scrutiny in order to facilitate clear expression of its improvement ambitions within next year's *Corporate Plan*.
- The Council continues to have a robust approach to achieving efficiency and resourcing planned improvements in services but is facing an unprecedented financial challenge over the medium term.
 - The Council continues to focus on stability and sustainability in terms of its finances through an effective financial management framework. It has maintained robust in-year and medium-term financial management arrangements which have supported delivery of a balanced revenue budget for 2013-14 whilst retaining a prudent level of general reserve balances.
 - further work is still required to complete the review of the current Risk Management Strategy and, in the circumstances, the Council should prioritise its work in this area.
 - The Council engaged well with other councils in Mid and West Wales and with the Wales Audit Office during our recent Improvement Study into the effectiveness of scrutiny

The WAO recommended one Proposal for Improvement, as follows:

'P1 In order to facilitate wider engagement with those it serves and to stimulate dialogue on its priorities, the Council should provide sufficient information within its Summary Improvement Plan to provide a general readership with a fair and balanced overview of the Council's priorities and improvement objectives, and how these are intended to improve outcomes for citizens.'

- 6.4 The Council has a proven track record of responding positively to proposals for improvement made by the Wales Audit Office and during 2014/15 this will continue to be the case.

Statement of Accounts - report of the Appointed External Auditor

- 6.5 Annual Financial Audit outline
- Presented to audit committee May 2013
 - Details financial audit work required to enable the Appointed Auditor to provide an opinion on the Statement of Accounts
- 6.6 Audit of Financial Statements Report (ISA260)
- Presented to those charged with governance (Council) by 30th September 2013 after the end of the financial year it relates to.
 - The report presented on the 25th September 2013 stated that the auditor issues an unqualified audit opinion but is however unable to formally conclude and issue an audit certificate as there was an enquiry raised by a member of the public that hadn't been resolved.
 - The matter was subsequently concluded and the audit certificate issued on 29th January 2014.
- 6.7 Annual Audit Letter
- Dated 29th November 2013
 - Purpose to summarise key messages from the Appointed Auditors statutory responsibilities
 - Key messages – unqualified audit opinion on the Statement of Accounts / satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness.

Estyn

Estyn Follow-Up Inspection January 2014

- 6.8 Following an inspection on the quality of the Council's education services for children and young people in March 2012, the authority was identified as requiring follow-up through Estyn monitoring visits. In November 2013, Estyn revisited the Council and reviewed the progress made against two recommendations made in the initial Estyn inspection report (2012). The two recommendations were:
- use the full powers available to the authority to improve leadership and management in schools
 - reduce surplus places
- 6.9 The first follow up visit was positive and recognised that the Council has made a concerted effort to address the recommendations made by Estyn. The report was presented to Cabinet on the 19th February 2014 ([Estyn Follow-up Report - Cabinet](#))
- 6.10 Estyn fed back that since the inspection in 2012, the local authority has:
- made better use of the powers it has available for the improvement in leadership and management in its schools
 - more robustly challenged its schools to improve
 - reduced the number of primary schools with significant surplus capacity from 68 to 42 and reduced the number of surplus places in primary schools by 1864
- 6.11 Estyn confirmed that surplus places in secondary schools had increased since their previous inspection however; they recognised that the closure of three

secondary schools and a new school building in Aberdare, which is planned to open in April 2015, should reduce surplus places by approximately 900.

- 6.12 Whilst Estyn's follow-up visit has been positive there is still considerable work to be completed to ensure that the Council, working with schools, continues to raise educational standards and remove surplus places across the County Borough.

Estyn – Summary of Routine Visits to Schools

- 6.13 In addition to the follow-up review undertaken by Estyn November 2013, individual schools are also subject to Estyn Inspections.

- 6.14 At their meeting of 29th January 2014, the Education & Lifelong Learning Scrutiny Committee received a detailed analysis of the reports undertaken by Estyn during the Summer Term and early Autumn Term 2013 ([Estyn Summary Report](#)).

- 6.15 The report concluded:

The Council still have too many schools that are placed in a follow-up activity following an Estyn inspection. One of the main reasons for this is the number of schools that do not compare favourably with similar schools across Wales. The position is improving as evidenced by the progress made in 2013 across all key stages and this progress needs to be sustained.

Many of our schools have pupils that start school with low levels of communication and social skills. Our best schools take this into account, developing effective interventions and rigorously tracking the pupils' progress evidencing improvement and the impact the school has had on these young people.

To improve the current levels of performance:

- Senior leaders need to develop their understanding of tracking of pupil progress and ensure that robust evidence is available to support this process. Inspection judgements are positive in schools where headteachers and senior leaders do this as a matter of course;*
- Schools need to develop better ways of learning from each other and to share good practice from school to school.*

Care and Social Services Inspectorate Wales

Annual Review & Evaluation of Performance 2012/13

- 6.16 The CSSIW Annual Review and Evaluation of Performance 2012/13 was reported to the Community & Children's Scrutiny Committee on 28th January 2014 ([CSSIW - Annual Report 2012/13](#)).

- 6.17 In their summary, the key messages from the CSSIW report included:
"Staff and members who work in the council have a strong sense of pride delivering a high level of services that are appreciated by local people. There is evidence of the positive value that preventative services bring to children and families in the authority from an inspection that looked at preventative and early intervention services"

- 6.18 CSSIW identified potential risks for the Council going forward including:

- *The ability to manage frontline services as well as ensuring budgets are met overall and, in particular, the financial impact on the council of the high numbers of children on the child protection register and in the looked after system.*
- *The ability to continue to offer support to people at all levels of eligibility criteria given the demand on services.*
- *instances of children on the child protection register not being allocated a social worker.*
- *Looked after children not being allocated and supported by a social worker.”*

6.19 The report identified good practice including:
‘Child appreciation days where sibling groups who are adopted can share their histories as a family and ongoing work with carers around involvement in shaping services for the future.’

6.20 It also identifies areas for follow up by CSSIW this year including:
“Safeguarding arrangements in both children and adult services, the impact and development of the revised operating model in adult services, proposed development of services to support a preventative strategy in children’s services and the authority’s review of services for children with a disability.”

6.21 The Group Director Community & Children’s Services concluded that
‘There were no surprises in the report. We know where we need to continue to make improvement but we also need to acknowledge areas of genuine progress and innovation. These will be key elements of the next Director of Social Services Annual Report.

Overall the report is a fair reflection of the position of the Council at the end of the last financial year i.e. the year ending 31st March 2013 and a useful source of reference for Officers in considering the annual self assessment undertaken as part of the process in the development of the 2013/14 Director of Social Services Annual Report.’

Internal Audit

6.22 Internal Audit completed a programme of work reviewing the Council’s internal control environment. Internal Audit also undertook investigative work in respect of fraud / irregularity with the exception of Housing Benefit related fraud and irregularity, which is investigated within the Operational Finance Service of the Financial Services Division.

6.23 The Head of Internal Audit considered that, based on the combination of planned and unplanned assurance and consultancy work undertaken by Internal Audit during 2013/14, the overall System of Internal Control within the Council operated effectively during this period.

7.	Significant Governance Issues
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7.1 **Definition of Governance:** A series of policies, roles, responsibilities and processes that set the way an organisation is directed, administrated and controlled.

7.2 **Definition of a Significant Governance Issue:** A specific area of the Council's work that requires Senior Management attention to ensure that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner, to support improved outcomes for local people.

7.3 The reduction in revenue and capital funding from the Welsh Government represents the most significant challenge to the Council in its drive to help improve outcomes for local people – this will remain the Council's most significant governance issue during 2014/15.

7.4 More specifically, from an evaluation of the Council's governance arrangements for 2013/14, the following areas are deemed to be significant governance issues for 2014/15:

7.5 **Managing Service Changes**

7.6 In order to meet the challenge of delivering the savings required to bridge the projected budget gap over the medium term, the Council began a process of devising a programme of Phased Service Changes during 2013/14. As such the following will need to be carefully managed:

- The ability to deliver the Council's 7 Improvement Priorities for 2014/15 whilst delivering the required service changes and bridging the gap will be challenging for the Council during 2014/5 and beyond.
- The Phase 1 changes are due to become effective during 2014/15. Managing the impact of the Phase 1 Service Changes on citizens and its workforce during 2014/15 and onwards.
- Developing future service change proposals for Cabinet's consideration.
- The requirement for service changes is essential however; ensuring relationships with key stakeholders and partners are maintained will be important.

7.7 **Improving Education**

7.8 Continuing to deliver the stepped improvements in the Council's Education Service identified by Estyn.

Adult & Children's Services

7.9 Ensuring the risks identified within the CSSIW Annual Review are managed.

Concluding Comments & Monitoring

The Council's governance arrangements throughout 2013/14 have helped the Council to deliver key services to our citizens. Our external regulators and internal quality assurance systems have identified robust systems of control and areas of good practice. They have however; identified areas for improvement and

strengthening and we are committed to embracing their recommendations and observations. We propose over the coming year to take steps to address the recommendations of our external regulators and also ensure that the significant governance issues identified are managed appropriately. The Council is committed to enhancing its governance arrangements further.

Leader

Chief Executive