

**SUBJECT: CORPORATE ASSESSMENT 2015 ACTION PLAN PROGRESS REPORT**

**MEETING: Audit Committee**

**DATE: 30<sup>th</sup> June 2016**

**DIVISION/WARDS AFFECTED: All**

## **1 PURPOSE**

- 1.1 To provide Audit Committee with the progress made against the actions committed in response to the proposals for improvement issued in the Wales Audit Office Annual Improvement Report 2014-15, incorporating the Corporate Assessment.

## **2. RECOMMENDATIONS**

- 2.1 That Audit Committee consider the current progress against proposals for improvement and future actions committed in response to the proposals.

## **3. KEY ISSUES**

- 3.1 Monmouthshire received its first Corporate Assessment in March 2015 and the findings of this inspection were incorporated into the latest Annual Improvement Report which was published in November 2015.
- 3.2 The headline finding of the report was “The Council demonstrates ambition in its vision, enthusiasm to deliver and commitment to working collaboratively, but this needs to be supported by a clearly joined-up strategic approach and effective delivery mechanisms.”
- 3.3 Included within the report were nine proposals for improvement. The report, appendix 1, sets out the progress made against the proposals for improvement actions the council agreed to take in January 2016 in response to the proposals. This highlights:
- The specific proposal made
  - Extracts from the report relevant to each proposal – these are not extensive or comprehensive but are intended to give a flavour of the issues behind each of the proposals made by WAO.
  - An update on the actions for each of the proposals
- 3.4 WAO have also since conducted a series of separate follow-up audits to the Corporate Assessment on Performance Management, Governance, Human Resources and IT in early 2016, as part of their ongoing annual audit work programme to follow up progress made against proposals issued in the

November 2015 report. The outcome of these reviews will be reported to Audit Committee as and when they are published, the feedback from the completed Governance review is provided as a separate item on the Audit Committee agenda.

- 3.5 As a result of regulatory work previously conducted by the WAO in the authority over the last few years, the council has a number of further proposals for improvement it is addressing. The progress made against these proposals was last reported to Audit Committee in December 2015 and these will again be reviewed as part of the committee's annual monitoring of progress.

#### **4. REASONS**

- 4.1 To ensure that the authority makes arrangements to secure continuous improvement in the exercise of its functions and is able to maximise its contribution to delivering the council's priorities of education of young people, support for vulnerable people; enterprise and job creation and maintaining locally accessible services.

#### **5. BACKGROUND PAPERS:**

Monmouthshire County Council, [Annual Improvement Report](#) 2014/15, incorporating the Corporate Assessment 2015.

#### **6. REPORT AUTHOR**

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Subject area  
and  
evidence  
source

**Wales Audit Office Annual Improvement Report 2014-15, Incorporating the Corporate Assessment report 2015  
Summary of Proposals, Key Findings and Actions**

WAO  
Proposal for  
Improvement

**Engage more effectively with staff to ensure the Council's values are clearly evident across the organisation.**

Key issues  
from WAO  
report

- The Council has clearly articulated its values
- [These] can be seen in the way that meetings operate
- [staff conference] attendees raised both strengths and concerns about a range of issues, some of which indicated that the Council's values are not always demonstrated in practice. These included concerns about openness, communication, decision making and how well staff perceive they are valued by the Council. Some of these concerns were repeated to us during our Corporate Assessment work. The 2014-15 staff survey showed better results with just over 50 per cent of respondents saying that they felt the 'Authority lives and breathes its corporate values of openness, fairness, flexibility and teamwork'.

	Desired Result	Action	Measure or milestone	Responsible Officer	Timescale	Progress
Actions	Delivery of actions to provide support and development for people in the organisation.	Deliver the actions in the programme plan of the People and Organisation Development Strategy which brings together the many facets of people and organisational development we run. Including continuing to develop our approach to colleague communication and following up from "You said: we did" week.	Progress against the programme plan is evaluated	Head of Commercial and People Development	May 2016	A progress report for the People and Organisational Development Strategy was presented for Member scrutiny in March 2016, which included progress on the action plan of the strategy and a programme plan for 2016 – 2017 delivery of the People and organisational development strategy has been agreed.

						<p>MonTalks and MonDelivers talks have been introduced to share insights, information and updates on a variety of aspects of the Council's work, the most recent session was on the work the council is undertaking as part of the Well-being of Future Generations Act.</p>
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<p>WAO Proposal for improvement</p>	<p><b>Improve strategic planning by:</b></p> <ul style="list-style-type: none"> <li>• <b>ensuring clear links between strategies and agreed priorities; and</b></li> <li>• <b>developing cohesive strategies to underpin and support robust decision making.</b></li> </ul>
<p>Key issues from WAO report</p>	<ul style="list-style-type: none"> <li>• The Council has a clearly articulated vision and sense of purpose that takes account of its local context, but needs to be supported by a coherent organisational strategy to drive change and deliver its ambition</li> <li>• The Council has started to strengthen its strategic planning to ensure that resources are better managed to help deliver its vision</li> <li>• The lack of cohesive strategies results in some initiatives being approved without the Council being clear about how they deliver improved outcomes.</li> <li>• The Council has a clear strategic policy around the management of assets, but in practice, assets could be managed more effectively to support delivery of strategic priorities</li> <li>• The People and Organisational Development Strategy does include links to other key strategies that will affect the shape and size of the workforce.</li> <li>• ... the People and Organisational Development Strategy does not refer, in turn, to the Asset Management Plan. In addition, the Medium Term Financial Plan itself does not reflect how assets should be best used to deliver outcomes</li> </ul>

	Desired Result	Action	Measure or milestone	Responsible Officer	Timescale	Progress
Actions	A sustainable business model is in place	Develop the future business model for the authority	Strategy agreed by Cabinet	Chief Executive	March 2016	In May 2016 Cabinet agreed to commission a strategic programme of whole-authority work called 'Future Monmouthshire'. That will see the development of a new operating model for the Council in order to equip it to meet its goals amidst increasing change and uncertainty. The new operating model will have a clear purpose: to create solutions to some of the county's biggest challenges.
	Key strategies are mutually supportive and aligned to the business model	Ensure the council's key delivery strategies (Improvement Plan, MTFP, People Strategy, Asset Management Plan and iCounty) all align to the business model.	Key deliver strategies are aligned	Head of Policy and Engagement	June 2016	This will follow the work on the future shape of the organisation, as described above, and the timescale will be informed by Future Monmouthshire.

WAO Proposal for improvement	<b>Ensure that the planned revisions and changes made to 'Check In Check Out' deliver a clear process of assessing and improving the performance of all staff and that department, team and individual objective setting is in line with the Council's corporate objectives.</b>
Key issues from WAO report	<ul style="list-style-type: none"> <li>• The purpose of Check in Check Out is not well understood by staff, managers or Members</li> <li>• Some managers were not aware of the target set by the Council for completion of appraisals</li> <li>• Check in Check Out does not sufficiently identify training needs to enable the Council to develop a cohesive and co-ordinated corporate training plan. As a result, the Council cannot be sure that all training meets organisational needs that all skills gaps are being met or that overall training resources are being deployed effectively.</li> </ul>

	Desired Result	Action	Measure or milestone	Responsible Officer	Timescale	Progress
Actions	Check-in, Check-out is well understood, consistently employed and informs staff development	Revise and roll out the employee performance appraisal approach (check-in, check-out) for staff	New approach launched and communicated	Head of Commercial and People Development	March 2016	Based on feedback received, the Check in Check out process has been reviewed and rolled out with training sessions on the revised process held via Talent Lab.
	We are able to evidence that staff are receiving appraisals	Ensure robust mechanisms are available to managers to complete accurate records on Check in / Check out on the Hub and ensure ownership of these mechanisms.	Quarterly measures are available to enable monitoring of process	Head of Commercial and People Development	March 2016	In 2015/16 reported data shows 54% of staff completed an appraisal, although the actual figure is likely to be higher than this due to the need to further develop the recording process, which is currently being developed.

WAO Proposal for improvement	<b>Ensure central specialist functions, such as finance and procurement, work more closely with individual service areas in identifying potential savings, the scope of savings achievable and the potential to use pooled budgets with partners.</b>
Key issues from WAO report	<ul style="list-style-type: none"> <li>• The Council has implemented a constructive approach to deciding where savings would be made and has improved its budget monitoring arrangements</li> <li>• To date the emphasis within the budget setting process has been on individual service areas identifying potential savings. Whilst services are very well placed to do this, we found only very limited support from central Council functions, such as finance and procurement and that corporate support is only provided on request. Unless the Council adopts a 'holistic' approach drawing on the wider skills within the Council it will be more difficult to address the funding gap.</li> <li>• [The] level of adoption of ideas generated by the public is very positive and demonstrates effective public engagement by a Council that is also willing to listen.</li> <li>• There is some use of pooled budgets and partners recognise that sharing facilities, skills and information are of equal importance. Finding ways to involve Local Service Board members more in the Council's budget setting process and setting more collaborative and pooled budgets where appropriate will help delivery of shared outcomes.</li> </ul>

	Desired Result	Action	Measure or milestone	Responsible Officer	Timescales	Progress
Actions	The authority is able to balance its budget and has an agreed medium term financial plan	Continue to provide corporate support to managers to deliver the savings, in line with agreed timescales, including the use of specialist support as required.	Percentage of mandated budget savings delivered	Head of Finance	Ongoing	<p>A corporate process and dedicated support has been identified to facilitate service areas to develop potential budget savings. The process has delivered c.£17million of savings to date and facilitated a balanced budget to be set for 2016/17.</p> <p>More work is necessary to consider the remaining 3 years of the MTFP and the future shape of the Authority, which will be undertaken by the 'Future Monmouthshire' strategic programme of work.</p>

WAO Proposal for improvement	<b>Adopt a more planned, risk-assessed approach to partnership and collaborative working to make better use of resources.</b>					
Key issues from WAO report	<ul style="list-style-type: none"> <li>• The Council has a strong collaborative approach to providing services and recognises that given the current financial climate and what the Council deems as the 'social capital' (community resource and skills) within the county, working with partners is key to sustaining services.</li> <li>• Partner organisations value the 'can do' approach and willingness to seek joint solutions</li> <li>• The Council's approach to partnership activity is not documented or part of an overall strategy and is largely 'optimistic' rather than strategic...[This] means the Council is not always clear whether it gets what it needs from partnership working to achieve better outcomes for citizens</li> </ul>					
Actions	Desired Result	Action	Measures or milestones	Responsible Officer	Timescales	Progress
	A sustainable business model is in place	Develop the future business model for the authority	Strategy agreed by Cabinet	Chief Executive	March 2016	In May 2016 Cabinet agreed to commission a strategic programme of whole-authority work called 'Future Monmouthshire'. That will see the development of a new operating model for the Council in order to equip it to meet its goals amidst increasing change and uncertainty. The new operating model will have a clear purpose: to create solutions to some of the county's biggest challenges.
	Clarity of outcomes and arrangements when services are being delivered through alternative model	Implement a policy development and evaluation framework and timetable	Framework embedded in the policy development process of the council	Head of Policy and Engagement	June 2016	This will follow the work on the future shape of the organisation, as described above, and the timescale will be informed by Future Monmouthshire
	Structures clarified and processes aligned to delivery	Council to consider and agree the community governance	Action plan adopted for	Head of Community Delivery	December 2015	A community governance review has been completed and presented to Cabinet and Council



	frameworks to support community governance.	action plan endorsed by Cabinet in October 2015	further development			who agreed to establish a cross party member working group which equally represents the four administrative areas to recommend a revised framework.
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WAO Proposal for improvement	<b>Further develop and embed performance management arrangements to allow the Council to hold partners to account and to support the Local Service Board to deliver its plans.</b>					
Key Issues from WAO Report	<ul style="list-style-type: none"> <li>• Arrangements for holding partners to account and scrutinising their activities are improving but this remains challenging with the number of partners and delivery channels used</li> <li>• A lack of clarity about the aims and measurable anticipated improvements from collaborative projects also makes holding partners to account more difficult. We found the Council sometimes struggles to articulate what it is trying to achieve in clear terms, resulting in different understanding.</li> <li>• Revised terms of reference [for the Local Service Board] have been agreed but these are not accessible on the Local Service Board website</li> <li>• Activity to date has focussed on setting the future path for the Local Service Board and ensuring it understands the needs of the community.</li> <li>• Performance management arrangements, including specific measures and how to collect the underlying data (some of which is not collected now) are developing, and the Council anticipates the new arrangements will be in place by the end of the year.</li> <li>• The outcome of the Community Governance review, completion of detailed delivery plans (particularly for the Local Service Board and Whole Place) and strengthening the performance management and accountability arrangements, together with an adaptable outlook, mean the Council should be able to build resilience and manage its partnership activity in a more sustainable way</li> </ul>					
Actions	Desired Result	Action	Measure or Milestones	Responsible Officer	Timescale	Progress
	Performance of partnerships delivering under the LSB (Local Service Board) and SIP is evaluated.	To develop a work programme for the next round of the SIP (Single Integrated Plan) performance group.	Work programme established	LSB Development Manager	March 2016	A work programme has been established and commenced in April 2016 to review partnership delivery against the SIP and any statutory duties discharged through LSB.

	Members are aware of their responsibilities for scrutinising activity under the Public Service Board.	Hold member training sessions on scrutinising partnership activity.	Member training sessions held.	LSB Development Manager	March 2016	Training has been held over the last couple of months to train Select Committee members on their responsibilities and the PSB select committee members on their specific responsibilities in relation to the PSB.
	Alignment of the Strategic Board of key partnership programmes across Monmouthshire with the latest legislation	Complete the transition of the Local Service Board to a Public Service Board	Public Service Board established	LSB Development Manager	April 2016	The LSB has been transitioned to a Public Service Board (PSB) as part of the implementation of the Future Generations Act.

WAO Proposal for improvement	<p><b>Strengthen the governance and challenge arrangements by:</b></p> <ul style="list-style-type: none"> <li>• ensuring that minutes of meetings are signed at the next suitable meeting in accordance with the Council's constitution to improve timeliness and transparency of public reporting; and</li> <li>• reconsider the Council's policy of not formally minuting Cabinet meetings.</li> </ul>
Key Issues from WAO Report	<ul style="list-style-type: none"> <li>• The Council's website sets out information for all its public committees and it contains links to access key records such as agendas, minutes and decisions. At the time of our review, the actual information available on the website was limited and key elements were missing, highlighting weak governance arrangements.</li> <li>• There have been instances of significant delays in relation to the approval of select-committee minutes.</li> <li>• Cabinet decisions are recorded, scrutinised and then made available on the Council website. Neither the Local Government Act 1972 nor the Council's Constitution require minutes of Cabinet meetings to be taken and subsequently approved as an accurate record. However, we consider the taking and approval of minutes to be good practice.</li> </ul>

	Desired Result	Action	Milestone	Responsible Officer	Timescales	Progress
Actions	Timely and transparent public reporting	Ensure sign off of minutes of committee meetings and carry out sample checks to provide monitoring	All minutes signed off at appropriate meetings	Local Democracy Manager	Ongoing	All public meetings of the Council are live streamed on YouTube. The Modern Gov system has been implemented which is speeding up the process and increasing Democratic Service officer's capacity to process minutes for sign off within the required timescale. Sample checks to provide monitoring will continue.
	More efficient processes	Continue to embed Modern Gov in the democratic services process	Modern Gov embedded	Local Democracy Manager	Ongoing	Modern Gov has improved the documentation of minutes, agendas and reports for meetings on the council's website making these more easily accessible.

WAO Proposal for improvement	<b>Develop the Council's workforce planning arrangements by including accurate data and key management information around workforce issues and statistics, reporting regularly to Senior Leadership and Management Teams to enable effective monitoring of progress and management of these issues on an ongoing basis.</b>
Key Issues from WAO Report	<ul style="list-style-type: none"> <li>• The Council's People and Organisational Development strategy sets out clearly the Council's ambitions for its staff</li> <li>• The strategy could be developed further to show how its organisational 'shape' will change from the Council it is now, to its future state, and what it will look like, operating with reduced finances and people.</li> <li>• There is evidence that workforce planning takes place in some service areas...but it is not consistently applied and is not conducted on a Council-wide basis</li> </ul>

	Desired Result	Action	Milestone	Responsible Officer	Timescales	Progress
Actions	A sustainable business model is in place	Develop the future business model for the authority	Strategy agreed by Cabinet	Chief Executive	March 2016	In May 2016 Cabinet agreed to commission a strategic programme of whole-authority work called 'Future Monmouthshire'. That will see the development of a new operating model for the Council in order to equip it to meet its goals amidst increasing change and uncertainty. The new operating model will have a clear purpose: to create solutions to some of the county's biggest challenges.
	Clarity on the future shape of the workforce	Use this business model to articulate the future workforce requirements of the authority including numbers of staff and skills needed	Workforce plan developed	Head of Commercial and People Development	November 2016	This will follow the work on the future shape of the organisation, as described above, and the timescale will be informed by Future Monmouthshire
	Workforce statistics are available at team level in a timely manner	Reports covering key workforce statistics available to Managers	Reports developed on "my-view" and "the hub"	Head of Commercial and People Development	May 2016	Workforce information is now available on the council's intranet. A People Services Annual Report and quarterly scorecards on workforce information are being developed for 2016/17.
	Effective monitoring of workforce issues	Put in place arrangements to ensure systematic reporting to DMTs and Senior Leadership Team	Programmed monitoring reports established	Head of Commercial and People Development	July 2016	As above

WAO Proposal for improvement	<p><b>Improve performance management arrangements by:</b></p> <ul style="list-style-type: none"> <li>• ensuring planned improvements are tangible;</li> <li>• improving target setting to better reflect desired improvement and ensuring resources are allocated to deliver Council priorities through the Medium Term Financial Plan;</li> <li>• developing arrangements to identify intended outcomes, targets and data collection arrangements when services are being delivered through alternative models; and</li> <li>• improving data quality arrangements to ensure that performance reporting is accurate and that decisions are made based on robust information.</li> </ul>					
Key Issues from WAO Report	<ul style="list-style-type: none"> <li>• The Council's performance management arrangements are improving</li> <li>• There are weaknesses in setting targets and milestones... without specifying the intended outcomes, the Council is unable to make informed, robust decisions, track performance, demonstrate value for money, or evaluate whether the delivery model is delivering the intended purpose.</li> <li>• We examined [six PIs] and found that delays in data entry, lack of supporting evidence and estimated data where actual data was required cast doubt over the credibility of data produced by the Council</li> <li>• The Council has been proactive in setting up alternative models of service delivery, however, the intended outcomes of new delivery models are not always well specified.</li> </ul>					
Actions	Desired Result	Action	Milestone	Responsible Officer	Timescales	Progress
	An improvement plan that demonstrates how the council will improve services within current resource constraints	Ensure that feedback from residents and regulators is used in developing the council's annual improvement plan.	Certificate of Compliance received alongside positive feedback from stakeholders	Head of Policy and Engagement	May 2016	The Stage 1 Improvement Plan 2016-17 was published in consideration of the areas for improvement identified by Wales Audit Office and the public consultation.
	Clear and robust targets to articulate ambition and support accountability	Continue to quality assure the council's performance measurement database to ensure target changes are captured and an audit trail of changes maintained.	Audit trail of targets established	Head of Policy and Engagement	Ongoing	The Improvement Plan 2016/17 sets clear and robust targets that articulate the ambition of the council, these are included in the council's performance measurement database.

	Desired Result	Action	Milestone	Responsible Officer	Timescales	Progress
	Stretching, realistic and robust targets	Strengthen target setting arrangements and revise and recirculate target setting guidance	Revised target setting implemented	Head of Policy and Engagement	April 2016	A training session on target setting is being developed and will be made available to all staff.
	Accurate performance data	Allocate Internal Audit time appropriately to focus on the data systems underpinning data as well as the accuracy of the outputs of the data.	Internal Audit control rating on national and local performance indicator data.	Head of Policy and Engagement	May 2016	The data quality process continues to be strengthened and was amended in 2016 to take account of previous audit feedback and to allocate Internal Audit time appropriately.
	Clarity of outcomes and arrangements when services are being delivered through alternative model	Implement a policy development and evaluation framework and timetable	Framework embedded in the policy development process of the Council	Head of Policy and Engagement	June 2016	This will follow the work on the future shape of the organisation and the timescale will be informed by Future Monmouthshire