



At: Aelodau'r Pwyllgor Llywodraethu
Corfforaethol

Dyddiad: 1 Ionawr 2013

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Annwyl Gyngorydd

Fe'ch gwahoddir i fynychu cyfarfod y **PWYLLGOR LLYWODRAETHU CORFFORAETHOL, DYDD MERCHER, 9 IONAWR 2013 am 9.30 am yn YSTAFELL BWLLGOR 1A, NEUADD Y SIR, RHUTHUN.**

Yn gywir iawn

G Williams
Pennaeth Gwasanaethau Cyfreithiol a Democrataidd

AGENDA

RHAN 1 – GWAHODDIR Y WASG A'R CYHOEDD I FYNYCHU RHAN HON Y CYFARFOD

1 YMIDDIHEURIADAU

2 DATGAN BUDDIANNAU

Yr Aelodau i ddatgan unrhyw fuddiannau personol neu ragfarnus mewn unrhyw fusnes sydd i'w ystyried yn y cyfarfod hwn.

3 MATERION BRYG

Hysbysiad o eitemau y dylid, ym marn y Cadeirydd, eu hystyried yn y cyfarfod fel materion bryg dan Adran 100B(4) Deddf Llywodraeth Leol 1972.

4 COFNODION (Tudalennau 5 - 14)

Derbyn cofnodion cyfarfod y Pwyllgor Llywodraethu Corfforaethol a gynhaliwyd ar 14 Tachwedd 2012 (copi'n amgaeedig)

9.35 a.m. – 9.40 a.m.

5 ARCHWILIAD GWASANAETHAU CYMDEITHASOL AWDURDOD LLEOL, ARFARNIAD AC ADOLYGIAD 2011-12 (Tudalennau 15 - 36)

Ystyried adroddiad gan y Cyfarwyddwr Corfforaethol: Moderneiddio a Lles (copi'n amgaeedig) ar arfarniad AGGCC o Wasanaethau Cymdeithasol Sir Ddinbych a'u persbectif ar berfformiad ac effeithiolrwydd Gwasanaethau Cymdeithasol.

9.40 a.m. – 10.10 a.m.

6 DATGANIAD STRATEGAETH RHEOLI'R TRYSORLYS 2013/2014 A DANGOSYDDION DARBODUS 2013/14 I 2015/16 (Tudalennau 37 - 64)

Ystyried adroddiad gan y Pennaeth Cyllid ac Asedau (copi'n amgaeedig) yn gofyn i'r aelodau adolygu Datganiad Strategeth Rheoli'r Trysorlys ar gyfer 2013/14 a'r Dangosyddion Darbodus ar gyfer 2013/14, 2014/15 a 2015/16.

10.10 a.m. – 10.40 a.m.

~~~~~ EGWYL ~~~~~

**7 ADRODDIAD CYNNYDD ARCHWILIO MEWNOL (Tudalennau 65 - 76)**

Ystyried adroddiad gan Bennaeth y Gwasanaethau Archwilio Mewnol (copi'n amgaeedig) yn diweddarau'r aelodau ar gynnydd diweddaraf y Gwasanaeth Archwilio Mewnol o ran cyflwyno gwasanaeth, darparu sicrhad, adolygiadau a gwblhawyd, perfformiad ac effeithiolrwydd wrth yrru gwelliannau.

**10.55 a.m. – 11.15 a.m.**

**8 CYNLLUN GWEITHREDU'R FFRAMWAITH LLYWODRAETHU CORFFORAETHOL (Tudalennau 77 - 86)**

Ystyried adroddiad gan Bennaeth y Gwasanaethau Archwilio Mewnol (copi'n amgaeedig) yn diweddarau'r aelodau ar y cynllun gweithredu diweddaraf a'r cynnydd hyd yma yn deillio o'r adolygiad o fframwaith llywodraethu'r Cyngor a'r Datganiad Llywodraethu Blynyddol 2011/12.

**11.15 a.m. – 11.35 a.m.**

**9 RHAGLEN WAITH PWYLLGOR LLYWODRAETHU CORFFORAETHOL (Tudalennau 87 - 88)**

Ystyried blaenraglen waith y pwyllgor (copi'n amgaeedig).

**11.35 a.m.**

**RHAN 2 – EITEMAU CYFRINACHOL**

Dim eitemau.

**AELODAETH**

**Y Cynghorwyr**

Raymond Bartley  
Stuart Davies  
Martyn Holland

Gwyneth Kensler  
Jason McLellan  
David Simmons

**Aelod Lleyg**

Paul Whitham

**COPIAU I'R:**

Holl Gynghorwyr er gwybodaeth  
Y Wasg a'r Llyfrgelloedd  
Cynghorau Tref a Chymuned

Mae tudalen hwn yn fwriadol wag

## CORPORATE GOVERNANCE COMMITTEE

Minutes of a meeting of the Corporate Governance Committee held in Conference Room 1a, County Hall, Ruthin on Wednesday, 14 November 2012 at 9.30 am.

### PRESENT

Councillors Raymond Bartley, Stuart Davies, Martyn Holland, Gwyneth Kensler (Vice-Chair), Jason McLellan (Chair) and David Simmons. Mr Paul Whitham (Lay Member).

**Observer** Councillor Bill Tasker

### ALSO PRESENT

Head of Legal and Democratic Services (GW), Head of Business Planning and Performance (AS), Head of Internal Audit (IB), Audit Manager (BS), Chief Accountant (RW), Head of Customers and Education Support (JW), Customer Care Project Officer (SG), Wales Audit Office Representatives (AV and GB) and Committee Administrator (SLW).

#### 1 APOLOGIES

Apologies for absence were received from Councillor Julian Thompson Hill.

#### 2 DECLARATIONS OF INTEREST

No Members declared any personal or prejudicial interest in any business identified to be considered at this meeting.

#### 3 URGENT MATTERS

No items were raised which, in the opinion of the Chair, should be considered at the meeting as a matter of urgency pursuant to Section 100B(4) of the Local Government Act, 1972.

#### 4 MINUTES

The minutes of the Corporate Governance Committee held on 26<sup>th</sup> September, 2012 were submitted.

**RESOLVED** that the minutes of the meeting held on 26<sup>th</sup> September, 2012 be received and approved as a true and correct record.

#### 5 WAO IMPROVEMENT ASSESSMENT LETTER

The Head of Business, Planning and Performance (H:BPP) introduced the report on behalf of the Corporate Improvement Team Manager who was unable to attend the meeting. The report outlined the Improvement Assessment letter which had been issued by the Wales Audit Office (WAO) on 17<sup>th</sup> September, 2012. The Improvement Assessment Letter had been issued prior to the publication of The Corporate Plan. The Corporate Plan had been approved at Full Council on the 9<sup>th</sup>

October, 2012. The Corporate Plan had also been scheduled for discussion at a future Performance Scrutiny Committee meeting.

The WAO representative gave a summary of the contents of the Improvement Assessment letter. As the Corporate Plan had not been agreed prior to the 17<sup>th</sup> September letter, a further Improvement Assessment letter would be issued at the end of November, 2012. The letter would assess whether the Council had discharged its improvement planning duties under the Measure and review the goals that the Council had set for itself in order to monitor the delivery of its improvement objectives.

WAO had made two proposals for improvements within the Annual Improvement Report as follows:-

- The Council in common with other Local Authorities in Wales, should use its annual review of governance arrangements to provide a more robust self-assessment of their effectiveness. The Council undertook a corporate governance review as part of the process to update and agree its Annual Governance Statement. The review found that the Council had adequate arrangements in place for meeting the six principles in the framework but the review of the effectiveness of the arrangements identified three significant governance risks:

- Partnership governance;
- Information governance; and
- Elected Member performance and development.

Further feedback from WAO would be presented to the Council later this year and WAO were to give feedback to the governance annual statement by March 2013.

- By September 2012 the Council should establish how it would support the Rhyl Going Forward delivery plan including:
  - Showing how it fits with the county regeneration programme;
  - Confirming the staff and financial resources that will be available to support delivery; and
  - Arrangements for periodic evaluation of progress.

Managerial responsibility within the Council for Rhyl Going Forward had undergone a period of transition as part of the reorganisation of duties amongst the Council's Heads of Service. At senior level, the newly appointed Corporate Director of Economic and Community Ambition would assume responsibility for economic development. A further assessment of progress with regard to the Rhyl Going Forward delivery plan would be provided later in 2012.

Following discussion, clarification had been given regarding the issues raised:-

- The risk within the Improvement Assessment Letter regarding elected member performance and development referred to how members would be held to account. Procedures and scrutiny were in place and WAO would be looking at the totality of performance by the group of elected members. Following the election of Members in May, 2012, Denbighshire County

Council provided a comprehensive training package but the Lead Member had been looking at how this could be taken forward within the next 6-12 months. There was a piece of work taking place at the moment reviewing the timing of the meetings.

- The definition of partnerships related to the partnerships with other Local Authorities, which was a wide definition.
- Regarding paragraph 9 of the covering report which stated this report presented no new risks to the Council, any previous risks were within the Corporate Risk Register.
- It was agreed that following the election of the Police Commissioner, an invitation would be sent to the Police Commissioner to attend a future Corporate Governance Committee meeting.

**RESOLVED** that:

- (a) *following consideration of the report, the Committee did not feel any issues needed to be raised at the Performance Scrutiny Committee meeting to be held on the 29<sup>th</sup> November, 2012.*
- (b) *The newly elected Police Commissioner be invited to attend a future Corporate Governance Committee meeting.*

10.00am – at this juncture, the Chair, Councillor Jason McLellan left the meeting to attend a memorial service which was being held in Prestatyn for the 5 people who lost their lives in a recent house fire.

Councillor Gwyneth Kensler took over the role of Chair for the remainder of the meeting.

## **6 INTERNAL AUDIT PROGRESS REPORT**

The Head of Internal Audit Services (H:IAS) submitted a report (previously circulated) updating members on the latest progress of the Internal Audit Service in terms of service delivery, assurance provision, reviews completed, performance and effectiveness in driving improvement.

The H:IAS highlighted particular areas of the report as follows –

- delivery of the Operational Plan for 2012/13
- a revised Operational Plan for 2012/13
- recent Internal Audit reports issued
- management's response to issues raised
- Internal Audit's performance

Since the Internal Audit Report submitted in September 2012, the following reports had been issued:-

- Higher Education Student Finance
- Revenues and Benefits Service
- Home to School Transport – joint report with Conwy County Borough Council
- Translation Service
- Business Continuity Planning – this was a summary report for information only as it had previously been presented to SLT.

- Strategic Human Resources.

During consideration of the report the H:IAS clarified issues in response to members' questions thereon as follows:-

- The Home to School Transport report formed part of the papers submitted to the Committee. This was graded as yellow for Denbighshire County Council, which was good, but for Conwy County Borough Council this had been graded as a red which was the lowest assessment.  
Regarding home to school transport, it was confirmed operators were appointed via an electronic auction system and this drives down the costs.
- There were ten issues across the HR service and those areas were being assessed. The H:IAS would build up a framework to enable issues to be specifically dealt with over the next few years. The HR work which had taken place had not included teachers. Following the Strategic HR Escalation meeting, one thing which had been apparent had been that the action plan was extremely unrealistic as were the time scales. The Head of Customers and Education Support (H:CES) confirmed that HR were in the process of meeting with the Head of Service to talk through addressing the capacity of what was needed. Specialist software was also being implemented within HR.
- The H:IAS confirmed that work was currently taking place regarding Consultants' payments.
- 40% of the planned projects had been completed, and the H:IAS confirmed he was confident that the remainder of the planned projects would be completed later in the financial year.
- Pavilion Theatre, Rhyl. A meeting would take place within the next two weeks to decide upon a robust action plan. Once this had been agreed, a report would be brought back to Corporate Governance Committee.

**RESOLVED** that subject to members' comments above, the progress report on the Internal Audit Service be received and noted.

## 7 ANNUAL "YOUR VOICE" REPORT

The Head of Customers and Education Support (H:CES) presented a report (previously circulated) to provide members with an overview of complaints and compliments received by Denbighshire County Council under the council's feedback policy "Your Voice" during the period 1<sup>st</sup> April 2011 to 31<sup>st</sup> March, 2012.

The H:CES reported that a re-launch of the complaint procedure "Your Voice" would take place. The process would have three elements:-

- Dealing with complaints on time
- Sharing information when compliments were received
- How to gather feedback.

A quarterly report would be taken to the Performance Scrutiny Committee to enable any issues to be dealt with immediately rather than delaying until the year end. A monthly report would also be presented to SLT.



The Corporate target for dealing with complaints on time was 95% but currently this had been running at 88%. Work was taking place with services to improve the complaint response time and encourage services to meet their targets.

The highest proportion of complaints came in at stage 1, although a number go through to the next stages. There was a need to understand where the escalations came from and if there had been an underlying issue as to why the service had not dealt with the complaint in an effective and timely manner.

The Ombudsman had only investigated two complaints, but an issue the report did reveal was that 17 out of 38 complaints were sent on to the Ombudsman too early. The Ombudsman then referred them back to the Council.

The Ombudsman focused on customers and had issued guidance to be adopted by each Local Authority. This would lead to stage 3 complaints being reduced and a majority would then become stage 2 complaints.

The Council were working to be an open and transparent authority. Complaints were to be encouraged and responses dealt with effectively. Vexatious complaints were to be dealt with as a matter of urgency.

There was a corporate system in place on which detailed information had to be entered. There was a vexatious section within the system which was to be reviewed to ensure the system would be more robust.

It was recommended that percentage trends over time and annual historic data would be useful information for future meetings.

Over time customer services capacity would grow. It was agreed there were currently insufficient numbers of staff at certain times of the day. Cash office staff numbers were to be reduced as automated payment machines were to be put in place. This would provide additional resources for the call centre. A pilot scheme had been running within the Housing section and would also take place in Highways in the future.

Services had been asked to identify trends throughout their own departments. There were two corporate indicators but the council were now looking at service standard indicators as follows:-

1. how complaints were dealt with and
2. how trends were identified.

Monitoring complaints had been an issue in the past but services were currently being checked to ascertain if they were analysing trends. The information would be passed through the service challenge process and fully change the service as a consequence.

There was a standing item within the Standards Committee Agenda – “Code of Conduct Complaints”.

The Ombudsman's Annual Report also had a break down of Member code of conduct issues.

**RESOLVED that:-**

- *the Committee note the suggestions regarding improvement of the Council's performance in handling complaints, and*
- *percentage trends and annual historic data to be included in the future reports.*

At this juncture (10.50 a.m.) there was a refreshment break

Meeting reconvened at 11.00 a.m.

## **8 TREASURY MANAGEMENT UPDATE**

The Chief Accountant introduced the report (previously circulated) and provided some background information on the Council's treasury management function.

There were six sections to the report :-

- i External economic environment
  - An update on any changes in the global economic conditions.
  - Financial markets being volatile affected the way investments were dealt with. The council's treasury advisers had been monitoring economic and political developments and they were comfortable with extending the duration limits with the banks used. The council's current policy was to limit all investments to 7 days but the latest advice had been received after the report had been submitted to the Corporate Governance Committee. The advice received had been considered and it was agreed to relax the criteria and extend the self imposed 7 day time limits.
  - The increased duration limits with the following UK banks were as follows:
    - ❖ Royal Bank of Scotland (RBS), National Westminster, Lloyds TSB and Bank of Scotland for a maximum period of six months.
    - ❖ Nationwide BS and Barclays for a maximum of twelve months.
- ii Investments
  - An update on who the council invest with and the current position.
  - It was decided that extending the duration limits would not yield substantial gains and the instant access call accounts would give greater flexibility to reduce the investment cash without the need for borrowing. The investment term would be extended when it made financial sense to do so.
  - The up to date figure of investment was £27.7million which was divided out as follow:

£8million – Bank of Scotland, Instant Access Call Account  
£4million – Lloyds, Instant Access Call Account  
£6million – National Westminster, Instant Access Call Account  
£4million – Royal Bank of Scotland, Instant Access Call Account  
£5.7million – Barclays

and a further £2million held in the National Westminster Current Account

iii TM strategy statement

- A brief outline of what was included in advance of the report in January 2013.
- The annual Treasury Management Strategy was produced which had to be approved by full council in February 2013. The Corporate Governance Committee would review the strategy statement in January 2013 prior to full council.
- The statement also outlined:
  - ❖ the council's treasury position and what would be the investment strategy for the forthcoming financial year. Also the borrowing strategy for the forthcoming year and listed the various sources of borrowing which were permitted to be used.
  - ❖ prudential indicators set boundaries within which the treasury management activity operated. There were twelve indicators of which five were capital related and seven were treasury related.
  - ❖ capital related indicators which provided estimates of the capital expenditure over a three year period. Estimates of the Capital Financing Requirement would also be provided.
  - ❖ Treasury management indicators showed the borrowing limits which set the maximum level of external borrowing over a three year period. The indicators also set upper limits on exposure to fixed and variable interest rates to manage changes in interest rates. Limits were set on the amount of debt maturing within various time periods, and the final indicator set an upper limit for sums invested over 364 days.
- Procedures were in place regarding money laundering. They were in place for verifying and recording the identity of counterparties and reporting suspicions. The Head of Finance and Assets had been appointed as the Money Laundering Officer.
- TM strategy for the future six months was to reduce the investment balances and to use temporary borrowing.

iv Prudential Indicators

- An explanation of the indicators including details of when they were set and a brief introduction.

- The indicators were calculated to demonstrate that the council's borrowing was affordable and included measures that showed the impact of capital and borrowing decisions over the medium term. The council had remained within all its borrowing and investment limits for 2012/13 agreed by Council in February 2012. The council had not deviated from the Capital related indicators either.
- v Money Laundering
  - An update on the Money Laundering Policy confirming that there had not been any cases reported.
  - Staff had been trained to be aware of what to look out for.
  - The Head of Finance and Assets had been appointed as the Money Laundering Officer.
- vi Future Activity
  - An update on the plans for the next six months.
  - The council intended to reduce its investment balances and to use temporary borrowing as a means of funding short term cash flow requirements.

The issue of training for Members was raised. It was agreed that a special training session be arranged. Invitations would be sent to the Members of Corporate Governance Committee but would also be open to all other Councillors.

**RESOLVED that:-**

- *Members noted the Treasury Management update report*
- *Member training to be arranged prior to January 2013*

**9 CORPORATE GOVERNANCE COMMITTEE FORWARD WORK PROGRAMME**

A report by the Head of Legal and Democratic Services (H:L&DS) was submitted (previously circulated) outlining the committee's forward work programme.

The WAO representative (GP) confirmed a further report from the Wales Audit Office would be included in the meeting to be held on 9<sup>th</sup> January 2013.

H:L&DS confirmed the Corporate Governance Framework would be brought to the meeting to be held on 9<sup>th</sup> January 2013.

The Role of Champions would be added to the meeting taking place on 27<sup>th</sup> February 2013.

**RESOLVED that, subject to the amendments the Corporate Governance Forward Work Programme be approved.**

**10 REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)**

**PART 2**

A report by the Head of Legal and Democratic Services (H:L&DS) was submitted (previously circulated) to provide the Corporate Governance Committee with two external reports from the Office of Surveillance Commissioners (OSC) and also the Interception of Communications Commissioner's Office (ICCO).

The report would also provide information regarding the Council's use of its powers under the Regulatory and Investigatory Powers Act 2000 (RIPA). Under this legislation, an Investigating Officer must make a formal application to an Authorising Officer/ Designated Person, prior to carrying out any kind of covert surveillance. Members of CET were now Authorising Officers. The application must be made in line with the Council's Policy and Procedures Guidance.

The council were required under the Home Office Code of Practice to make regular reports to members on the use of such powers under RIPA. Given the low number of authorisations granted, an annual report was considered sufficient.

Following the introduction of the Protection of Freedoms Act 2012 which took effect from the beginning of November 2012, an authorisation once granted had to be confirmed by a Magistrate before surveillance could commence.

The Government introduced the Protection of Freedom Act from the beginning of November 2012 which modified how surveillance had to be run. Once authorisation had been granted, no-one could run the surveillance until the authorisation had been heard by a Magistrate.

An inspection by OSC had been carried out in the summer. Training had taken place on 18<sup>th</sup> June and the inspectors had checked through the training documentation. The training covered legislative basics and the dos and don'ts of issues to be considered.

A RIPA Working Group had been set up which met on a six monthly basis. There had been criticism of some items within the report. It had been suggested a unique reference number be allocated. The IT Department were currently dealing with this issue.

It had been recommended by the ICCO that the council sign up to the National Anti Fraud Network (NAFN). NAFN would deal with applications on the council's behalf and NAFN would then be inspected by the ICCO. The proposal had been taken to SLT and agreed. The fee for signing up to NAFN was £2000 per annum. A further report would be brought to Corporate Governance Committee to confirm the council had signed up to NAFN. H:L&DS would be the senior Responsible Officer for contact with NAFN.

It was suggested that following the Working Group meeting, a brief information sheet could be produced and submitted to Committee.

The issue of surveillance of staff would need to be referred to the H:L&DS.

Cameras on school premises were a separate code of practice.

H:L&DS confirmed if a RIPA had not been in place, it did not legally mean it would be wrong but meant it would be open to challenge and action could be taken against the council for breach of human rights.

**RESOLVED** that:

- *Committee note the contents of both Inspection reports*
- *Agreed that training would not be of benefit to Corporate Governance Members*

The meeting concluded at 12.10 p.m.

|                            |                                                                                               |
|----------------------------|-----------------------------------------------------------------------------------------------|
| <b>Adroddiad ar gyfer:</b> | <b>Y Pwyllgor Llywodraethu Corfforaethol</b>                                                  |
| <b>Dyddiad y Cyfarfod:</b> | <b>Ionawr 9, 2013</b>                                                                         |
| <b>Swyddog Arweiniol:</b>  | <b>Cyfarwyddwr Corfforaethol Moderneiddio a Lles</b>                                          |
| <b>Awdur yr Adroddiad:</b> | <b>Prif Reolwr, Gwasanaethau Busnes</b>                                                       |
| <b>Teitl:</b>              | <b>Gwerthusiad ac Adolygiad Arolygiad Gwasanaethau Cymdeithasol yr Awdurdod Lleol 2011-12</b> |

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## **1. Beth mae'r adroddiad yn ymwneud ag o?**

- 1.1 Mae'r adroddiad yn mynegi'r materion allweddol sy'n codi o werthusiad Arolygiaeth Gofal a Gwasanaethau Cymdeithasol Cymru o berfformiad gwasanaethau cymdeithasol Sir Ddinbych ar gyfer 2011-12. Mae copi o'r gwerthusiad llawn yn atodol fel Atodiad 1.

## **2. Beth yw'r rheswm am wneud yr adroddiad yma?**

- 2.1 Sicrhau bod y Pwyllgor yn ymwybodol o'r gwerthusiad perfformiad ar gyfer gwasanaethau cymdeithasol yn cynnwys meysydd o gynnydd, meysydd i'w gwella a risg.

## **3. Beth yw'r Argymhellion?**

- 3.1 Bydd Rheolwr Ardal Arolygiaeth Gofal a Gwasanaethau Cymdeithasol Cymru yn bresennol yn y Pwyllgor. Gofynnir i aelodau ystyried y gwerthusiad a cheisio persbectif AGGCC ar berfformiad ac effeithiolrwydd gwasanaethau cymdeithasol.

## **4. Manylion yr Adroddiad**

- 4.1 Bob blwyddyn bydd AGGCC yn ymgymryd â gwerthusiad cynhwysfawr o berfformiad gwasanaethau cymdeithasol pob awdurdod lleol. Bydd y gwerthusiad yn defnyddio ystod eang o dystiolaeth sy'n dod o adroddiad y Cyfarwyddwyr eu hunain ar y perfformiad a'r cynlluniau ar gyfer gwella gwasanaethau cymdeithasol yn ardal eu hawdurdod lleol, gwaith rheoleiddiol AGGCC a barn archwilwyr ac arolygwyr eraill. Fe gymedrolir y gwerthusiad i sicrhau dull cyson, tryloyw a chymesur.
- 4.2 I grynhoi, mae gwerthusiad gwasanaethau cymdeithasol Sir Ddinbych wedi amlygu rhaglenni uchelgeisiol o newid mewn gwasanaeth gydag arweinyddiaeth glir a threfniadau rheoli perfformiad yn eu lle i gynorthwyo eu cyflenwad. Mae'r gwerthusiad yn bositif yn nodi cynnydd arwyddocaol gyda hyrwyddo annibyniaeth ar draws y Gwasanaeth drwy atal ac ymyriad cynnar.
- 4.3 Mae Atodiad 2 yn darparu trosolwg o'r meysydd a nodwyd sy'n dangos cynnydd a meysydd a nodwyd i'w gwella yn y gwerthusiad perfformiad.

- 4.4 Mae meysydd a nodwyd i fod angen gwelliant yn unol â hunanasesiad y Cyfarwyddwr ac maen nhw wedi eu plannu o fewn Cynlluniau Busnes Gwasanaeth cysylltiedig ar gyfer 2012-13. Fe gaiff y cynlluniau hyn eu monitro'n ffurfiol bob chwarter drwy Ffynnon.
- 4.5 Fe wnaethpwyd cynnydd sylweddol o ran meysydd a nodwyd i'w gwella yn yr adroddiad gwerthuso perfformiad. Ond, mae cynnydd wedi bod yn fwy cyfyngedig ar gyfer y camau canlynol:
- Cydgysylltiad rhwng ailalluogi a gwasanaethau gofal canolraddol a arweinir gan iechyd.
  - Cyflymder cynnydd mewn mentrau ar y cyd a gytunwyd ag iechyd
  - Gwella absenoldeb oherwydd salwch
- 4.6 Mae cysylltiadau ar lefel weithredol â BIPBC yn parhau i fod yn dda ac rydyn ni'n dal i fod â phresenoldeb yng nghyfarfodydd allweddol Grwpiau Rhaglen Glinigol a hefyd y Byrddau Rhanbarthol sy'n edrych ar weithredu Gofal Canolraddol a gwaith Ardaloedd. Fodd bynnag, mae yna anhawster cynyddol gydag ymgysylltu staff strategol yn lleol i fwrw mentrau ymlaen ar draws Cyngor Sir Ddinbych gyfan (gweler para 9.1 isod).
- 4.7 Rydyn ni wedi gweithio'n galed dros y 12 mis diwethaf i leihau absenoldeb oherwydd salwch gydag atebolrwydd rheolaeth cryfach, adrodd a monitro'n amlach ac yn gadarnach a menter beilot mewn cydweithrediad ag Iechyd Galwedigaethol ond mae absenoldeb oherwydd salwch yn dal i fod yn broblem yr ydyn ni'n parhau i ddelio â hi.

## **5. Sut mae'r penderfyniad yn cyfrannu tuag at y Blaenoriaethau Corfforaethol?**

- 5.1 Mae'r archwiliad wedi darparu persbectif allanol o effeithiolrwydd y Cyngor yn diogelu pobl sy'n agored i niwed a hyrwyddo eu hannibyniaeth. Mae'r gwerthusiad hefyd yn darparu persbectif ar raglenni ar gyfer moderneiddio ac addasu gwasanaethau gofal cymdeithasol.

## **6. Beth fydd o'n ei gostio a sut fydd o'n effeithio ar wasanaethau eraill?**

- 6.1 Mae ymateb y Gwasanaeth i gyflenwi camau gwella/datblygu wedi ei integreiddio yng Nghynllun Busnes y Gwasanaeth ar gyfer 2012/2013. Mae cyflenwad y Cynllun hwn wedi ei osod o fewn cronfeydd presennol.

## **7. Pa ymgynghoriadau a gafwyd?**

- 7.1 Cynhelir cyfarfodydd ymgysylltu rheolaidd ag Uwch Dîm Arweinyddiaeth y Gwasanaethau Cymdeithasol ag AGGCC sy'n helpu i hysbysu'r gwerthusiad yn ogystal ag asesu cynnydd gyda chyflenwi gwelliant.

## **8. Datganiad y Prif Swyddog Cyllid**



8.1 Mae camau i ymateb i gamau gwella/datblygu wedi eu hintegreiddio yn y Cynllun Busnes Gwasanaeth ar gyfer 2012/2013 ac nid oes angen unrhyw adnoddau ychwanegol i gyflenwi.

**9. Pa risgiau sydd yna ac a oes yna unrhyw beth y gallwn ei wneud i'w lleihau?**

9.1 Mae AGGCC wedi nodi'r gallu parhaus i ddylanwadu ar gynllunio strategol sy'n canolbwyntio ar ardaloedd â BIPBC fel risg potensial. Mae'r risg yma wedi ei gynnwys fel risg ar y cofrestrau risg Gwasanaeth cysylltiedig. Mae gwaith yn digwydd ar draws Rhanbarth Gogledd Cymru i fforio sut y gellir rheoli'r risg yma yn ogystal â cheisio cyfleoedd i gyfarfod ag uwch swyddogion gweithredol lechyd ar lefel leol.

**10. Grym i wneud y Penderfyniad**

10.1 Adran 3 Deddf Llywodraeth Leol 1999 – dyletswydd Gwerth Gorau i sicrhau gwelliant parhaus.

10.2 Adran 7 Deddf Gwasanaethau Cymdeithasol Awdurdod Lleol 1970 – dyletswydd i sicrhau gwelliant parhaus y cyflenwad gwasanaeth.

10.3 Mesur Llywodraeth Leol (Cymru) 2009 – dyletswydd i sicrhau gwelliant parhaus y cyflenwad gwasanaeth.



## **Annual Review and Evaluation of Performance 2011 - 2012**

**Local Authority**                      **Denbighshire County Borough Council**  
**Name:**

**This report sets out the key areas of progress and areas for improvement in Denbighshire County Borough Council, Social Services Department for the year 2011-12**

### **Summary:**

The council has ambitious programmes of service change in both adult and children's social care. Clear leadership and performance management arrangements are in place to support their delivery. The overall aim of the programmes is to promote independence through prevention and early intervention, is leading service development. Significant progress has been achieved in a number of areas.

Service user feedback in adult services has been largely positive. The council is developing plans to involve the public, service users and carers in the ongoing modernisation of services. The council recognises that current performance indicators indicate the need for improved performance in supporting people to live in the community to be demonstrated.

Children's services have achieved improved performance in relation to a number of key performance indicators. The remodelling of the range of services available has progressed during the year but has not yet been completed.

The council undertakes a wide range of consultation activities. It recognises that for consultation to be effective information needs to be made available. Initiatives are being taken, by the council to improve the quality of participation and involvement. The council is further developing engagement activity to ensure consistency across service areas.

Quality assurance frameworks using self audit and service user engagement have been developed and are being implemented. The service is proactive in seeking independent review of its performance and open to considering where improvements can be made

The Director's report provides a clear accessible account of performance. It makes reference to the council's achievements and future plans and acknowledges areas where performance still needs to improve or where service developments have not yet been achieved. The report also explains why changes that may not be immediately popular are being made and provides an opportunity for readers of the report to provide feedback. The council has provided CSSIW with detailed position statements for adult and children's services plus supporting evidence. The council have been helpful in identifying and providing additional information to support statements made or to provide clarification.

**Response to last year's areas of development:**

Significant progress has been made in relation to many of the areas for improvement identified in last year's performance evaluation report. In areas where progress has been more limited the council has referred to reasons or detailed actions that are being taken to achieve change.

**CSSIW has identified the following potential risks:**

- Continuing ability to influence locality focussed strategic planning with BCUHB.

**Good Practice identified:**

- The council has implemented a reablement service which is achieving performance targets and positive feedback from service users. The positive impact of this service was noted during a CSSIW inspection.
- The use of independent audit and ongoing feedback to inform improvement in adult protection.

**Site inspections undertaken during the year:**

An inspection of the arrangements for the assessment and care management of adults referred to Denbighshire County Council Adult Social Services was undertaken between 20 February and 2 March 2012.

The inspection found that the service model adopted by Denbighshire was responsive to people's needs and there was evidence of positive service user feedback. Challenges remain in implementing some aspects of the strategy.

**Areas for follow up by CSSIW next year:**

- New model for integrated children and family services.
- Workforce development and absence management
- Services to carers

- Services to support disable children and their families
- Evaluation of reablement service
- Demonstration of the effectiveness of community support to adults

## **PERFORMANCE**

### **Shaping services**

#### **Adults**

Adult services business and development plans are informed by analysis of the needs of the local population, national data, forecasts of demographic change, financial resource and corporate priorities. A number of commissioning strategies for key adult services are in place approaching the end of their time spans. These have been updated on an interim basis rather than revised with full consultation with stakeholders. The council is actively exploring options for regional collaboration and joint commissioning with key partners such as the Betsi Cadwaladar University Health Board (BCUHB) before new commissioning strategies are produced.

The council has made progress in developing opportunities for service users and other stakeholders to participate in service and strategy development. This is reflected in the recent residents' survey, the review of the restructure of adult services and service specific consultations. The council reports that good practice in service user consultation activity has been identified and that this has been used to inform service development and improvement. In addition specific service developments and projects where early engagement is needed have been identified. The service still requires to achieve greater consistency in the way feedback is gained and improved.

#### **Children**

The council's children and families service aims to provide an integrated and seamless service. This includes effective early intervention and prevention services combined with an integrated targeted service response at the statutory level. A restructure of the service has been undertaken following a review and evaluation of previous processes. Work is now progressing to embed the new structure and further develop effective interfaces with partners and increase intervention by practitioners in the direct delivery of service. Systems are in place to support the active participation of staff and managers in the developments

Scoping of commissioning requirements has been informed by the Families First Pioneer project action plan and through work commissioned by the council to map vulnerable families in Denbighshire. These plans are linked to corporate priorities including regeneration and outcome agreements. Commissioning plans have not

yet been fully implemented. The council states there has been extensive consultation with the independent and voluntary sector about future commissioning intentions.

The council reports consulting with children and families by a range of methods. It recognises that the involvement of children and families and the collation and analysis of feedback received needs to improve.

### **Areas of progress**

- The council makes extensive use of national and local data, research material and needs analysis.
- Relationships with the independent and third sector are developed to support strategic objectives.

### **Areas for improvement**

- Consultation of children and families in service development and review.
- Completed commissioning strategies to be implemented to support effective service provision in line with strategic direction.

## **Getting Help**

### **Adults**

The council has introduced measures to evaluate the effectiveness of responses made to referrals to adult social care. These have included performance reports, a review of the effectiveness of signposting, the use of quality assurance questionnaires and specific consultations. An internal review of practice, which looked at the receipt and allocation of referrals was undertaken in relation to a serious case review held during the year. This resulted in clear guidance being issued to staff to ensure that referrals are passed for management decision in a timely manner.

Evidence indicates that the council provides an effective and responsive service with timely access to assessment. There are exceptions such as accessing assessment by a rehabilitation officer where the number of people awaiting a service has increased during the year. The council has been successful in embedding the policy of offering people a reablement service as a first response to referrals. The council's excellent record in terms of delayed transfer of care from hospital to the community has been maintained.

The council recognises there are some aspects of communication and information sharing that require improvement. The council has strengthened the First Contact Team. It has identified areas for improvement in practice and is compiling local

directories of services and community facilities. Community information centres have also been established. Further improvements are planned in the quality and range of public information available and through the establishment of customer service standards. A report by the Wales Audit Office has referred to the development of area member groups as a positive contribution to improving local communication.

At the time of the CSSIW inspection of adult services in February 2012 there was a lack of clarity and consistency in the inter face between the reablement, locality and the health lead intermediate care teams. The council are seeking to address this by the development of a single point of access to an integrated health and social care system and have been accepted by the Social Services Improvement Agency as a demonstrator site. This is an ambitious project which will be subject to ongoing evaluation.

The move to locality working included the relocation of staff from Specialist Adults and the EMH social work teams into the locality teams. Actions to reduce the impact of the changes have been identified and the impact will be monitored by the council.

## **Children**

An improved performance in relation to a number of key performance indicators relating to access to services has been achieved during the year. These include the percentage of referrals to the service which were re referrals, the percentages of referrals allocated to a social worker and the time taken to undertake an initial assessment. In addition a greater percentage of children were seen and seen alone during initial assessment.

This improvement in performance follows a restructure of service, an evaluation of the referral and assessment process and an increased emphasis on prevention and early intervention through further development of the Team Around the Family (TAF). In addition the Joint Risk Assessment Panel (JRAP) enables the statutory agencies to exchange information, clarify referral criteria and agency responsibilities and to coordinate multi agency responses.

The council has not been able to demonstrate improved performance in the timeliness of core assessments undertaken during the year and this remains an area for improvement for 2012-13.

The development of an integrated multi-agency disability service was identified as a development area in last year's report. The issues identified then have not yet been resolved due to delays in relocating the child development centre. The council states that this has not delayed the delivery of service but it has impacted on the development of a more integrated approach to assessment and care

planning. Multi agency operational panels have been established to consider new referrals and agree the appropriate response.

### **Areas of progress**

- The council is proactive in reviewing and analysing responsiveness to referrals and the arrangements for access to assessment.
- People referred to adult services receive a timely and responsive service.
- Performance indicators show significant improvement across the majority of key performance areas in children's services.

### **Areas for improvement**

- Completion of the new service models for children with additional needs.
- Improvement in the percentage of core assessments completed within timescales.
- Interface between reablement and health led intermediate care services.

### **Services provided**

#### **Adults**

The council has made progress in developing a wide range of services and mainstream local community facilities to encourage independence. A reablement service has been successfully implemented. Two thirds of people referred to it do not require a further service and the majority of people surveyed provide positive feedback of their experience. The council is seeking ways to extend the reablement service model to people provided with services by the independent sector.

Success in providing alternatives to residential care has been achieved by an increased provision of extra care housing, and the further development of existing sheltered housing and community living schemes. Many services are provided in partnership with health, the independent or voluntary sector. Other positive developments include the extension of telecare to 450 additional people and the achievement of the delivery of over 80% of pieces of equipment within five working days. There has been a decrease in the percentage of younger adults supported in the community as measured by performance indicators however which the council needs to address. Challenges in meeting specialist housing need remain and the council has identified the need for an accommodation strategy to be developed with the housing department.

The council uses 'quality circles' to bring together performance intelligence, from a number of sources on the services that are contracted with independent providers. A report produced by the council indicates that monitoring visits to provider settings



by the commissioning and contracting services have tended to be reactive in the past. A planned schedule of visits has now been drawn up in order to increase the robustness of contract monitoring. The council's performance in reviewing adult care plans has deteriorated slightly during the year and performance in this area needs to improve.

## **Children**

The council has continued to develop an effective early intervention and preventative service. It reports that the Team Around the Family has been further embedded and that work to develop a Joint Assessment Family Framework is supporting multiagency assessment at the early intervention level. Effective sign posting is supported by the development of strong relationships with agencies by the Team Around the Family and Genesis projects.

The commissioning of services to support the Families First plan has not yet been fully implemented. The council states that at present a fully established and coordinated approach to the delivery of family support services 'across the spectrum from universal to 'targeted' is not present. The result is families are not able to experience a smooth transition in and out of appropriate services. Work is ongoing to address this through a more multi agency approach to family support at both the targeted and the universal level. An internal intensive family service has been developed to support families with complex needs. The council states however that there are a limited range of intensive family support responses and these require development. Family support services to provide for less complex needs are being commissioned externally. The decommissioning of services previously provided under the Cymorth initiative has taken place.

A transitions coordinator has been appointed as part of the council's actions to improve the experiences of children with a disability transferring into adult services. An additional service has been introduced to widen the availability of support to those young people who have received support from children and family services but who will not be eligible for statutory adult services. The need for children with disabilities to be supported to access universal youth services has been identified. New services are being commissioned under the Families First programme. The effectiveness of these developments has not yet been reported on and this will be a subject for further discussion with the council.

The council's corporate parenting strategy clearly expresses the council's approach to meeting its corporate parenting responsibilities and the commitment to engagement activity. The council reports good performance in terms of stability of placement for children who are looked after. It acknowledges that a greater range of placements through the recruitment of more foster carers would provide more choice of placement and is reviewing foster carer training needs. Performance in respect of reviews of placement for looked after children have shown significant improvement. There have also been improvements in the timeliness of statutory

visits but further improvement is needed. The review of children in need within timescales also remains an area for further improvement.

The council received a positive report following the inspection of fostering services by CSSIW. The need for further consultation with children and young people about their experience of foster care was noted.

The education liaison officer and young persons' health advisor are established posts which support the council to achieve its objectives. There is a contract with Barnardos for a personal assistants service for children leaving care. There has however been deterioration in the council's performance in relation to the percentage of formerly looked after children who are in non emergency accommodation and engaged in employment, training or education. This indicates the need for further evaluation of the effectiveness of service provision.

### **Areas of progress**

- Establishment of an effective reablement service.
- Successful in providing effective alternatives to residential care.
- Widening of the eligibility for transition support.

### **Areas for improvement**

- The council needs to complete the implementation of commissioning plans in children's services to establish the coordinated approach to the delivery of family support services across the spectrum.
- Further embedding of engagement and consultation activity in service development and evaluation.
- Review of services provided to adults.
- Outcomes for care leavers.

### **Effect on people's lives:**

#### **Adults**

An independent audit of a selection of cases referred to the Protection of Vulnerable Adult (POVA) procedures between January 2011 and March 2012 was commissioned by the council. It has concluded that there was a 'thoughtful', 'robust' and 'consistent' approach to adult safeguarding in Denbighshire however a number of good practice recommendations were made. This has resulted in written guidance being provided to staff and some of the recommendations have been referred for consideration by a task and finish group. The council has responded to the recommendation that mental capacity should be recorded more consistently and also to an issue raised by the CSSIW that identified the need for further Mental Capacity Act training with particular emphasis given to the Deprivation of Liberty Safeguards legislation. Recommendations regarding the recording of decisions,

the communication with all interested parties and the more consistent use of risk assessments have also been noted and are being responded to.

A service user/carer survey of their experience of the POVA procedures was planned.. This was not completed but the council reports that plans for this are now progressing. The council reports that risk was managed in a high percentage of POVA cases.

The council has identified a number of local indicators to assist with the evaluation of performance in a number of areas. The local performance indicator concerning the number of people with a mental health condition supported in the community indicates that this has reduced slightly over the last 12 months since the introduction of charges for day care services. The effect of this will be monitored by the council's performance management process.

The development of a quality assurance framework has continued during the year and forms an important part of the performance management arrangements. A range of methods is used by the council to gain customer feedback and this provides an evaluation of performance. Responses indicate that services users feel they were treated with dignity and respect and that generally the services were reliable.

Comprehensive feedback is sought by the intake and reablement service. Three quarters of the people asked stated their confidence had improved following reablement and almost half said the service had helped improve their privacy and dignity. Such detailed feedback has not been provided from other service areas. The council recognises that quality assurance needs to be further embedded and focussed on outcomes that people value

The council welfare rights service has had a significant impact on the income of the county and of individuals. Service developments under the New Work connections project have also started to have a positive impact. Over 500 participants during the year achieved a range of benefits including further education, employment and involvement in voluntary work.

The council has introduced specific measures to increase the involvement of service users in service planning and delivery. This was a central feature in the development of community living services and is also illustrated by the training of five older people under the Dignity in Care and Equalities (DICE) initiative. This helped to cascade the DICE message to Older People, to staff employed by the council and the independent and voluntary sectors through training events. Another initiative is the inclusion of mental health service users as paid members of service planning boards.

A number of initiatives have been used to improve services to carers and the council reports that 100% of carers who are assessed are provided with a service.

However performance indicators show that only approximately one third of carers were offered or provided with an assessment or review. A waiting list for assessments developed in 2011-12. Increased funding has been made available to address increased demand. This is an area in which the council needs to provide evidence of improved performance.

The take up of Direct Payments ( DP ) is still low compared to some other councils. The council did take steps to try to improve take up during 2011-12 but the effectiveness of the measures taken is still to be demonstrated.

## **Children**

The council has made significant improvement in many of the key indicators that relate to the safeguarding of children including the timeliness of initial case conferences and initial core group meetings. The council reports that all child protection reviews were held within statutory time scales. This is an overall good performance.

The Conwy and Denbighshire Local Safeguarding Children Board conducted an audit of all re registrations to the child protection register in the period 31 March to 16 August 2011. The audit was commissioned by the Serious Case Review Group following a recommendation made concerning a Denbighshire case.

Whilst recognising the difficulty in drawing conclusions from such a small sample a number of recommendations were made. These included the need to improve performance in completing timely quality core assessments and the introduction of measures to ensure that any unmet or ongoing support needs, are addressed in child in need plans. It was also recommended that partner agencies should be proactive in continuing support and involvement with families and children who have recently been deregistered and improved practice with regard to the completion of chronologies should be a focus of social work supervision. It was recommended that the LSCB could monitor the number of children re registered as part of its performance monitoring role.

The audit report recognises that the department had subsequently undergone a major restructure and had introduced models of practice that support early intervention as well as improvement in the quality of assessment and practice.

The council has provided evidence of a range of activities undertaken during the year to engage with children and young people and their carers. The new quality assurance framework includes a greater emphasis on both the service user experience and on service user engagement. Both the infrastructure to collect and analyse the information available and the approaches used to engage and involve service users needs further development. All children and young people have access to independent advocacy which is commissioned in partnership with other councils but the take up is quite limited.

All known young carers in Denbighshire are offered an assessment and provided with a service. The council has a young carers strategy in place which aims to develop a coordinated multi agency approach that focuses on the needs of the family as a whole not solely on the young carer. Consideration is being given to commissioning services for young carers jointly with partner councils in North Wales utilising the Families First grant funding. The council will however commission services as a single council for 2012, whilst work is ongoing to align service requirements with the partner agencies.

### **Areas of progress**

- The council shows a commitment to creating an 'improvement culture' in its positive attitude to independent evaluation and review of services and its response to recommendations made.
- Significant improvement has been achieved in timeliness of child protection initial case conferences and initial core group meetings.

### **Areas for improvement**

- Further development of service user engagement activity to improve the intelligence available to more consistently inform service delivery and the management of performance.
- More consistency in the provision of support and involvement with families following deregistration from the child protection register when ongoing needs are identified.
- Increased access to assessment and review for carers.

## **CAPACITY**

### **Delivering social services:**

The council has adopted a medium term financial planning approach and the Wales Audit Office improvement report 2012 assesses that the council is well placed to address the financial challenges although the scale of change required will inevitably continue to require clear leadership and direction.

The business planning process provides for an analysis of budget management, financial pressures and the achievement of efficiencies. A twice yearly challenge process is in place to evaluate the performance of the service with regard to financial sustainability, delivery of service and corporate priorities.

Adults and children's services report a balanced budget although this was achieved in adult services by the transfer of an under spend from the supporting people budget which will not be available in future years. There has been an overall increase in budget in recognition of demographic trends and specific service related pressures but efficiencies have been identified. There is recognition

that some of the modernisation objectives require pump priming with financial support

The council has clearly expressed workforce development plans in place. Training is planned in discussion with the independent sector to ensure a qualified and competent workforce across the independent and voluntary sector. This is delivered through the Social Care Workforce Development Plan (SCWDP) the joint Conwy and Denbighshire Social Care Workforce Development Partnership Training Group and the regional Social Care in Partnership as well as other collaborative initiatives. Access to training information and the work of the partnership is supported through the implementation of a communication strategy.

The council reports having exceeded all social care national prescribed training targets for 2011-12. A positive achievement by the council is recognition by the Social Care Accolades of the council's work to promote social care as a career choice.

The SCWDP annual business plan identified that additional initiatives are required to deliver a fully bilingual service across the partnership. These include evaluation of workforce information to identify language skills and gaps and collaboration with contracting teams to ensure that all service providers provide service in a language sensitive way.

The council continues to experience high sickness levels amongst the adult and children social care work force. Both services failed to achieve their target reduction in days lost to sickness during the year, with children's services recording a significantly higher rate than the target figure. The council reports that there has been focussed management activity to address this issue and recent monthly figures indicate that some improvement is being made.

The council did not achieve its intended level of performance in relation to the completion of annual staff appraisals and recognises that improvements are needed. The council have been successful in reducing their reliance on agency staff with the effect of achieving greater stability in the overall workforce.

### **Areas of progress**

- Medium term financial plans in place with challenge provided by the business process.
- Performance with regard to national social care training targets.
- Promotion of social care as a career as recognised by Ambassador in Care accolade.
- Clear detailed business planning process is in place.
- Collaborative approach to workforce development.

## **Areas for improvement**

- Ensuring that effective annual performance appraisals are undertaken.
- Improved sickness rates particularly in children services.

## **Providing direction:**

Clear leadership is provided by the Chief Executive Officer, Director of Social Services and Heads of adult and children services in terms of both strategic direction and expected standards of performance. The council has taken steps to increase communication with the public about the needs of communities, the policy environment and the financial circumstances within which the council operates. It is not clear however that the intended evaluation of engagement activity has taken place. The council values include the need for the service to be open to scrutiny and challenge and to consider what is not working well in a transparent honest way so that it can be improved.

The corporate and service business plans demonstrate that the effectiveness of services is subject to review and challenge and that information gained through evaluation and feedback is acted upon. It is recognised that some service developments may initially be unpopular and that consultation with and involvement of stakeholders is essential if new service delivery models are to be successfully introduced. Clear links are made to corporate priorities and to the support required from corporate services such as Human Resources and ICT.

Members and senior directors are involved in the service challenge meetings. This enables them to develop a clearer understanding of service performance which supports the effectiveness of the scrutiny function. The Wales Audit Office annual improvement report January 2012 indicates that the council has made progress in reviewing democratic and scrutiny functions and improving management process and accountability.

The structure of the senior management team supports interdepartmental cooperation. This is developing as illustrated by projects such as leisure activities for older people and the changes made in the function of sheltered housing but it is an area where further developments can be made.

The council has shown a strong commitment to engaging in regional and sub regional collaboration, where it can be shown that this is beneficial to corporate priorities and local residents. In addition the council has demonstrated commitment to establishing effective partnerships with the independent and third sector. It reports that this has enabled the gradual introduction of changes to contracts, following discussion wherever possible.

Partnership relationships with statutory agencies have progressed during the year but some joint initiatives with health, such as the collocation of health and social care locality team offices and the child development centre project, have not progressed as planned. The reorganisation of the health service has caused some disruption to planning structures and differences in emphasis between regional and local objectives. The council is engaging with the structures that have been put in place and some progress in joint ventures is being achieved. The council is also seeking to ensure that initiatives designed to meet the needs of social care service users and those focussed on economic regeneration are mutually supportive.

### **Areas of progress**

- Strong clear leadership is provided within adult and social care and the council as a whole.
- Positive service developments have been achieved in partnership with statutory and non statutory organisations.
- The service challenge process and council values support service improvement.

### **Areas for improvement**

- Pace of progress in agreed joint initiatives with health.



Social Services performance evaluation 2010-11  
Progress and areas for improvement

| <b>Shaping Services</b>                                                                                                                                                                                                                          |                                                                                                                                                                                                                                                                      |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                      |
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| <b>Areas of progress</b>                                                                                                                                                                                                                         | <b>Areas for improvement</b>                                                                                                                                                                                                                                         | <b>How we are responding</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |
| <ul style="list-style-type: none"> <li>• Extensive use of national and local data, research material and needs analysis.</li> <li>• Relationships with the independent and third sector are developed to support strategic objectives</li> </ul> | <ul style="list-style-type: none"> <li>• Consultation of children and families in service development and review</li> <li>• Completed commissioning strategies to be implemented to support effective service provision in line with strategic direction.</li> </ul> | <ul style="list-style-type: none"> <li>• We are developing consultation processes with families who are subject to Child Protection process</li> <li>• We have produced a Family Support Strategy</li> <li>• We are in the process of developing our high level strategic approach to commissioning for Adults services. Detailed strategies will follow that reflect and respond to the needs of the Localities including low level preventative and universal community services</li> <li>• We are working jointly with Health and the Third Sector to develop a Regional Carers Strategy and action the requirements of the new Carers Measure (Wales)</li> </ul> |

| <b>Getting help</b>                                                                                                                                                                                                                                                                                                                                                                    |                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
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| <b>Areas of progress</b>                                                                                                                                                                                                                                                                                                                                                               | <b>Areas for improvement</b>                                                                                                                                                                                                                                                                              | <b>How we are responding</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <ul style="list-style-type: none"> <li>• A proactive approach to reviewing and analysing responsiveness to referrals and the arrangements for access to assessment.</li> <li>• People referred to adult services receive a timely and responsive service.</li> <li>• Pl's show significant improvement across the majority of key performance areas in children's services.</li> </ul> | <ul style="list-style-type: none"> <li>• Completion of the new service models for children with additional needs.</li> <li>• Improvement in the percentage of core assessments completed within timescales.</li> <li>• Interface between reablement and health led intermediate care services.</li> </ul> | <ul style="list-style-type: none"> <li>• We are reviewing the delivery of services to children and young people with additional needs. We have put a Needs Matching Panel in place, and will be reviewing our approach to Project work, residential respite services and direct payments</li> <li>• The timeliness of core assessments has improved from 74% in 2010-11 and is currently 84% (as of 30/11/2012). The Welsh average for 2011-12 was 73%</li> <li>• Relationships at operational level continue to be good and the reablement service is effective supporting people to live independently. However, there has been no further meetings of the Intermediate Care &amp; Localities Board</li> </ul> |

| <b>Services Provided</b>                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                           |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                               |
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| <b>Areas of progress</b>                                                                                                                                                                                                                            | <b>Areas for improvement</b>                                                                                                                                                                                                                                                                                                                                                                                                              | <b>How we are responding</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
| <ul style="list-style-type: none"> <li>• Establishment of an effective reablement service.</li> <li>• Successful in providing effective alternatives to residential care.</li> <li>• Widening of the eligibility for transition support.</li> </ul> | <ul style="list-style-type: none"> <li>• Completion and implementation of commissioning plans in children's services to establish the coordinated approach to the delivery of family support services across the spectrum.</li> <li>• Further embedding of engagement and consultation activity in service development and evaluation.</li> <li>• Review of services provided to adults.</li> <li>• Outcomes for care leavers.</li> </ul> | <ul style="list-style-type: none"> <li>• We have produced a Family Support Strategy</li> <li>• Develop integrated and coordinated approach to the delivery of family support services through the Family Support coordinator</li> <li>• We have integrated our consultation into our Quality Framework. Our consultation approach is particularly strong with Looked After Children and we are extending our approach across the service through the development of a 'Have your say' initiative.</li> <li>• Systems have been strengthened to ensure the effective performance management of reviews for adult services. Current performance for 2012/2013 (1<sup>st</sup> April - 30 November 2012) shows that 94% of all reviews due have been completed on time (1248 reviews completed on time). Current performance for reviews is now within the top quartile for Wales</li> <li>• We are undertaking an evaluation of the Personal Advisor service provided to care leavers. This will include the view of care leavers and will help to inform the service requirements from 2013 onwards</li> </ul> |

| <b>Effect on People's lives</b>                                                                                                                                                                                                                                                                                                                                            |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                         |                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                  |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Areas of progress</b>                                                                                                                                                                                                                                                                                                                                                   | <b>Areas for improvement</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                            | <b>How we are responding</b>                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                     |
| <ul style="list-style-type: none"> <li>• A commitment to creating an 'improvement culture' in its positive attitude to independent evaluation and review of services and its response to recommendations made.</li> <li>• Significant improvement has been achieved in timeliness of child protection initial case conferences and initial core group meetings.</li> </ul> | <ul style="list-style-type: none"> <li>• Further development of service user engagement activity to improve the intelligence available to more consistently inform service delivery and the management of performance.</li> <li>• More consistency in the provision of support and involvement with families following deregistration from the child protection register when ongoing needs are identified.</li> <li>• Increased access to assessment and review for carers.</li> </ul> | <ul style="list-style-type: none"> <li>• In Childrens Services we are developing a '@have your Say' initiative which integrates consultation and engagement as part of our approach to quality. In Adult Services we have undertaken a 'map' of consultation/engagement groups that we can link to. Work is underway to develop a questionnaire to help identify people's experience of social services. We have also developed a simple and clear approach to reporting on the quality of services so the public can understand our strengths and areas for development</li> <li>• We are developing consultation processes with families who are subject to Child Protection process</li> <li>• More carers are being identified and more are being offered an assessment. Work is ongoing to ensure all carers are offered an assessment. Systems are currently being examined to simplify the associated recording processes. We have also developed a letter for carers offering them an assessment when they are not present when the service user is assessed.</li> </ul> |

| <b>Capacity</b>                                                                                                                                                                                                                                                                                                                                                                                                                                   |                                                                                                                                                                                                 |                                                                                                                                                                                                                                                                                                                                                                                                                                |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Areas of progress</b>                                                                                                                                                                                                                                                                                                                                                                                                                          | <b>Areas for improvement</b>                                                                                                                                                                    | <b>How we are responding</b>                                                                                                                                                                                                                                                                                                                                                                                                   |
| <ul style="list-style-type: none"> <li>• Medium term financial plans in place with challenge provided by the business process.</li> <li>• Performance with regard to national social care training targets.</li> <li>• Promotion of social care as a career as recognised by Ambassador in Care accolade.</li> <li>• Clear detailed business planning process is in place.</li> <li>• Collaborative approach to workforce development.</li> </ul> | <ul style="list-style-type: none"> <li>• Ensuring that effective annual performance appraisals are undertaken.</li> <li>• Improved sickness rates particularly in children services.</li> </ul> | <ul style="list-style-type: none"> <li>• We are working with Managers to ensure that performance appraisals are completed</li> <li>• We have worked hard over the past 12 months to reduce sickness absence with stronger management accountability, more frequent and robust reporting and monitoring and a pilot initiative in conjunction with Occupational Health however sickness absence does remain an issue</li> </ul> |

| <b>Providing direction</b>                                                                                                                                                                                                                                                                                                                                           |                                                                                                               |                                                                                                                                                                                                                                                                                                                                                                                                               |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <b>Areas of progress</b>                                                                                                                                                                                                                                                                                                                                             | <b>Areas for improvement</b>                                                                                  | <b>How we are responding</b>                                                                                                                                                                                                                                                                                                                                                                                  |
| <ul style="list-style-type: none"> <li>• Strong clear leadership is provided within adult and social care and the council as a whole.</li> <li>• Positive service developments have been achieved in partnership with statutory and non statutory organisations.</li> <li>• The service challenge process and council values support service improvement.</li> </ul> | <ul style="list-style-type: none"> <li>• Pace of progress in agreed joint initiatives with health.</li> </ul> | <ul style="list-style-type: none"> <li>• Relationships at operational level continue to be good with BCU and we continue to have a presence in key Clinical Programme Group meetings and also Regional Boards looking at implementing Intermediate Care &amp; Locality working. However, there is increasing difficulty in engaging strategic staff locally in taking forward DCC-wide initiatives</li> </ul> |

# Eitem Agenda 6

|                                   |                                                                                           |
|-----------------------------------|-------------------------------------------------------------------------------------------|
| <b>Adroddiad ar gyfer:</b>        | Y Pwyllgor Llywodraethu Corfforaethol                                                     |
| <b>Dyddiad y Cyfarfod:</b>        | Ionawr 09, 2013                                                                           |
| <b>Aelod Arweiniol / Swyddog:</b> | Y Cynghorydd Julian Thompson-Hill                                                         |
| <b>Awdur yr Adroddiad:</b>        | Pennaeth Cyllid ac Asedau                                                                 |
| <b>Teitl:</b>                     | Datganiad Strategaeth Reoli'r Trysorlys 2013/14 a Dangosyddion Darbodus 2013/14 i 2015/16 |

## 1 Beth mae'r adroddiad yn ymwneud ag o?

- 1.1 Mae'r adroddiad yn dangos sut y bydd y Cyngor yn rheoli ei fuddsoddiadau a'i fenthyciadau yn y flwyddyn i ddod ac yn gosod y polisiâu y bydd swyddogaeth Rheoli'r Trysorlys yn gweithio o'u mewn. Mae'r adroddiad hefyd yn amlinellu effaith tebygol y Cynllun Corfforaethol ar y strategaeth yma ac ar y Dangosyddion Darbodus.
- 1.2 Dylid nodi mai ffigurau drafft yw'r rhai sydd yn yr adroddiad yma ac fe'u diweddarir cyn cymeradwyaeth y Cyngor yn seiliedig ar y Cynllun Cyfalaf diweddaraf ym mis Chwefror 2013.

## 2 Beth yw'r rheswm am wneud yr adroddiad yma?

- 2.1 Mae'n ofynnol i'r Cyngor, yn ôl Cod Ymarfer Sefydliad Siartredig Cyllid Cyhoeddus a Chyfrifyddiaeth ar Reolaeth Trysorlys, gymeradwyo Datganiad Strategaeth Reoli'r Trysorlys uchod a Dangosyddion Darbodus yn flynyddol. Mae'n ofynnol i'r Pwyllgor Llywodraethu Corfforaethol adolygu'r adroddiad cyn ei gymeradwyo gan y Cyngor ar Chwefror 26, 2013.

## 3 Beth yw'r Argymhellion?

- 3.1 Bod y Pwyllgor yn adolygu Datganiad Strategaeth Rheolaeth y Trysorlys ar gyfer 2013/14 a'r Dangosyddion Darbodus ar gyfer 2013/14, 2014/15 a 2015/16 (Atodiad 1).

## 4 Manylion yr Adroddiad

### Cefndir

- 4.1 Mae Rheolaeth y Trysorlys yn golygu gofalu am arian y Cyngor ac mae hynny'n rhan hanfodol o waith y Cyngor gan fod oddeutu £0.5bn yn mynd drwy gyfrif banc y Cyngor bob blwyddyn.
- 4.2 Bydd gan y Cyngor, ar unrhyw adeg, o leiaf £20m mewn arian felly mae angen i ni ofalu ein bod yn cyflawni'r cyfraddau enillion gorau posib heb beryglu'r arian a dyna pam y byddwn yn buddsoddi arian â nifer o sefydliadau ariannol.

Wrth fuddsoddi, blaenoriaethau'r Cyngor ydi:

- cadw arian yn saff (diogelwch);

- gofalu ein bod yn cael yr arian yn ôl pan fydd arnom ei angen (hylifedd);
- gofalu ein bod yn cael cyfradd enillion weddus (arenillion).

### **Datganiad Strategaeth Reoli'r Trysorlys 2013/14**

- 4.3 Fe fynegir Datganiad Strategaeth Reoli'r Trysorlys ar gyfer 2013/14 yn Atodiad A. Mae'r adroddiad hwn yn cynnwys Dangosyddion Darbodus sy'n gosod cyfyngiadau ar weithgaredd rheoli trysorlys y Cyngor ac yn dangos bod benthyca gan y Cyngor yn fforddiadwy.

#### **Dangosyddion Darbodus:**

- 4.4 Mae dangosyddion Cronfa'r Cyngor yn seiliedig ar y bidiau cyfalaf arfaethedig diwethaf ac fe gaiff y rhain eu diweddarau cyn cyflwyno'r adroddiad i'r Cyngor i'w gymeradwyo ar Chwefror 26, 2013.
- 4.5 Fe gyfrifwyd dangosyddion y Cyfrif Refeniw Tai yn seiliedig ar yr amcangyfrifon diweddaraf o Gynllun Busnes y Stoc Tai. Fe gaiff y rhain eu diweddarau'n unol â'r gyllideb a gymeradwyir gan y Cabinet yn ei gyfarfod ar Chwefror 19, 2013.
- 4.6 Mae'r Dangosyddion Darbodus unigol a gymeradwyir i'w cymeradwyo wedi eu mynegi yn Atodiad B.

### **5 Sut mae'r penderfyniad yn cyfrannu tuag at y Blaenoriaethau Corfforaethol?**

- 5.1 Mae strategaeth effeithlon o Reoli'r Trysorlys yn caniatáu i'r Cyngor isafu ei gostau benthyca a rhyddhau cyllid ar gyfer ei flaenoriaethau buddsoddi.

### **6 Beth fydd hyn yn ei gostio a sut fydd o'n effeithio ar wasanaethau eraill?**

- 6.1 Nid oes yna unrhyw oblygiadau cost yn codi o ganlyniad i osod y Dangosyddion Darbodus. Pwynt y Strategaeth Reoli'r Trysorlys ydi cael yr elw orau o fewn fframwaith risg a reolir yn briodol.

### **7 Pa ymgynghoriadau a gafwyd?**

- 7.1 Fe baratowyd Cynllun Cyfalaf y Cyngor a Chyllideb Refeniw mewn ymgynghoriad â Phenaethiaid Gwasanaeth, Cyfarwyddwyr Corfforaethol, Pwyllgorau Craffu, y Cabinet a'r Cyngor.
- 7.2 Fe gyflwynir Cynllun Busnes y Stoc Tai, cyllideb refeniw a chyfalaf i aelodau. Fe ymgynghorir hefyd â Ffederasiwn Tenantiaid a Phreswylwyr Sir Ddinbych ar y cynigion.
- 7.3 Mae'r Cyngor wedi ymgynghori â'i ymgynghorwyr rheolaeth y trysorlys, Arlingclose Ltd.

### **Datganiad y Prif Swyddog Ariannol**

- 7.4 Mae Rheolaeth y Trysorlys yn golygu gofalu am symiau sylweddol o arian felly mae'n rhan hanfodol o waith y Cyngor. Mae'n gofyn am strategaeth gadarn a rheoliadau priodol i ddiogelu arian y Cyngor, i sicrhau cyflawni enillion rhesymol ar fuddsoddiadau a bod dyled yn cael ei rheoli'n effeithiol ac yn ddarbodus.
- 7.5 Fe fabwysiodd y Cyngor God Ymarfer diwygiedig CIPFA ar Reolaeth y Trysorlys (Tachwedd 11) yn ei gyfarfod ar Chwefror 28, 2012. Mae'n ofynnol, yn ôl y Cod, i'r Cyngor gymeradwyo Datganiad Strategaeth Reoli'r Trysorlys bob blwyddyn ariannol.
- 7.6 Mae'r Cyngor wedi cymeradwyo Cynllun Corfforaethol uchelgeisiol a allai weld buddsoddi dros £130m i gyflenwi ei flaenoriaethau dros y pum mlynedd nesaf. Mae'n hanfodol bod y Cyngor â swyddogaeth reoli trysorlys gadarn ac effeithiol i danategu'r buddsoddiad yma a phob gweithgaredd arall.

## **8 Pa risgiau sydd yna ac a oes yna unrhyw beth y gallwn ei wneud i'w lleihau?**

- 8.1 Mae Rheolaeth y Trysorlys yn fentrus yn ei hanfod fel y'i hamlinellir yn y Datganiad Strategaeth. Mae'r Cyngor â pholisi rheoli risg ond mae'n amhosib dileu'r risgiau hyn yn gyfangwbl.

## **9 Grym i wneud y Penderfyniad**

- 9.1 Deddf Llywodraeth Leol 2003 sy'n pennu'r gofyniad i awdurdodau lleol osod Dangosyddion Darbodus ac mae'n gofyn i'r Cyngor gydymffurfio â Chod Darbodus Cyllid Cyfalaf ar gyfer Awdurdodau Lleol sydd wedi ei gynhyrchu gan Sefydliad Siartredig Cyllid Cyhoeddus a Chyfrifyddiaeth (CIPFA).

Mae tudalen hwn yn fwriadol wag



**Denbighshire County Council**

**Treasury Management Strategy Statement  
and Investment Strategy 2013/14 to 2015/16**

**Contents**

- 1. Background**
- 2. Treasury Position**
- 3. Investment Strategy**
- 4. Borrowing Strategy**
- 5. Debt Rescheduling**
- 6. MRP Statement 2013/14**
- 7. Reporting Treasury Management Activity**
- 8. Other Items**

**Annexes**

- A. Prudential Indicators
- B. Specified and Non-Specified Investments
- C. Recommended Sovereign and Counterparty List
- D. Interest Rate Outlook
- E. Impact of Corporate Plan

**Glossary**

# Treasury Management Strategy Statement and Investment Strategy 2013/14 to 2015/16

## 1 Background

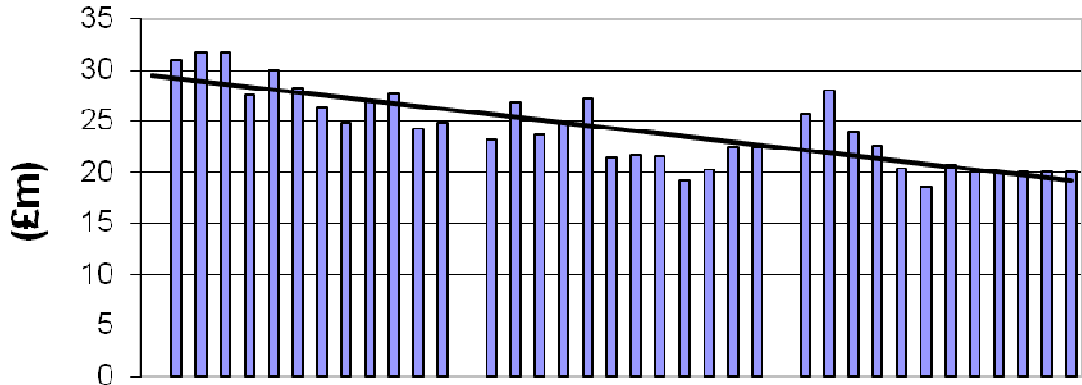
- 1.1 The Council is responsible for its Treasury Management decisions and activity which involves looking after the Council's cash. This is a vital part of the Council's work because approximately £0.5bn passes through the Council's bank account every year.
- 1.2 The Chartered Institute of Public Finance and Accountancy's Code of Practice for Treasury Management in Public Services (the "CIPFA TM Code") and the Prudential Code require local authorities to produce the Treasury Management Strategy Statement (TMSS) and Prudential Indicators on an annual basis. The TMSS also incorporates the Investment Strategy as required under the Welsh Government's (WG) Investment Guidance.
- 1.3 The purpose of the TMSS is to set:
  - Treasury Management Strategy for 2013/14
  - Annual Investment Strategy for 2013/14
  - Prudential Indicators for 2013/14, 2014/15 and 2015/16 (**Annex A**)
  - MRP Statement
- 1.4 The Council adopted the original CIPFA Treasury Management Code in March 2002. A revised Code was issued in November 2009 and another in November 2011. The Council approved the revised Code (Nov 2011) at its meeting on 28 February 2012.

## 2 Treasury Position

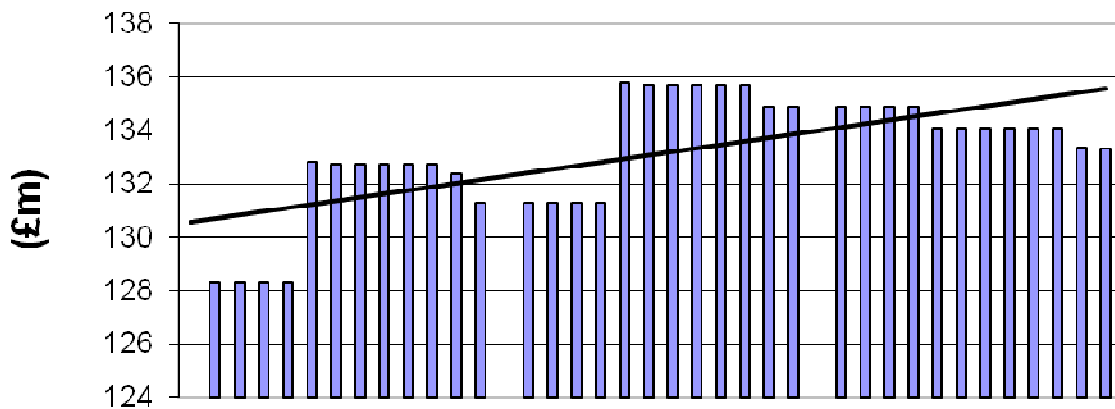
- 2.1 The levels of the Council's investment and borrowing balances over the last three years are shown in the graphs below. The first chart shows that the amount of money we have to invest has decreased over the last three years. The second shows the Council's borrowing has increased slightly over the course of the last three years as we have built up our borrowing levels by taking advantage of low interest rates.

Treasury Management Strategy Statement  
and Investment Strategy 2013/14 to 2015/16

Investment Balances (2010/11 - 2012/13)



Borrowing Balances (2010/11 - 2012/13)



**3 Investment Strategy**

- 3.1 In accordance with Investment Guidance issued by the WG and best practice the Council's primary objective in relation to the investment of public funds remains the security of capital. The liquidity or accessibility of the Council's investments is secondary, followed by the yield earned on investments which is a tertiary consideration.
- 3.2 The Council and its advisors remain on a heightened state of alert for signs of credit or market distress that might have an adverse effect on the investment position.

## **Treasury Management Strategy Statement and Investment Strategy 2013/14 to 2015/16**

- 3.3 Investments are categorised as “Specified” or “Non-Specified” within the investment guidance issued by the WG.

Specified investments are sterling denominated investments with a maximum maturity of one year. They also meet the “high credit quality” threshold as determined by the Council and are not deemed capital expenditure investments under Statute. Non specified investments are, effectively, everything else.

- 3.4 The types of investments that can be used by the Council and whether they are specified or non-specified are listed in **Annex B**.

- 3.5 The minimum credit rating for non-UK sovereigns is AA+ (or equivalent). For specified investments the minimum long term rating for counterparties is A- (or equivalent). The Head of Finance & Assets will have discretion to make investments with counterparties that do not meet the specified criteria on advice from Arlingclose.

The other credit characteristics, in addition to credit ratings, that the Council monitors are listed in the Prudential Indicator on Credit Risk (**Annex A**).

Any institution will be suspended or removed should any of the factors identified above give rise to concern. Arlingclose advises the Council on ratings changes and appropriate action to be taken.

The countries and institutions that currently meet the criteria for investments are included in **Annex C**.

- 3.6 The Council banks with Natwest Plc. At the current time, it meets the minimum credit criteria of A- (or equivalent) long term. Even if the credit rating falls below the Council’s minimum criteria Natwest Plc will continue to be used for short term liquidity requirements (overnight and weekend investments) and business continuity arrangements.

- 3.7 With short term interest rates expected to be low for some time, an investment strategy will typically result in a lengthening of investment periods, where cash flow permits, in order to lock in higher rates of acceptable risk adjusted returns. The problem in the current environment is finding an investment counterparty providing acceptable levels of counterparty risk.

- 3.8 In order to diversify an investment portfolio largely invested in cash, investments will be placed with approved counterparties over a range of maturity periods. Maximum investment levels with each counterparty will be set to ensure prudent diversification is achieved.

- 3.9 Money market funds (MMFs) may be utilised but good treasury management practice will prevail and whilst MMFs provide good diversification the Council will also seek to diversify any exposure by

## **Treasury Management Strategy Statement and Investment Strategy 2013/14 to 2015/16**

utilising more than one MMF. The Council will also restrict its exposure to MMFs by not exceeding 0.5% of the net asset value of the MMFs. In the case of Government MMFs, the Council will ensure exposure to each Fund does not exceed 2% of the net asset value of the Fund.

### **4 Borrowing Strategy**

- 4.1 Treasury management and borrowing strategies in particular continue to be influenced not only by the absolute level of borrowing rates but also the relationship between investment and borrowing rates. The interest rate forecast provided in **Annex D** indicates that an acute difference between investment and borrowing rates is expected to continue. This difference creates a “cost of carry” for any new longer term borrowing where the proceeds are temporarily held as investments because of the difference between what is paid on the borrowing and what is earned on the investment. Whilst the cost of carry can be assumed to be a reasonably short-term issue since borrowing is often for longer dated periods (anything up to 50 years) it cannot be ignored against a backdrop of uncertainty and affordability constraints in the Council’s wider financial position.
- 4.2 The Council intends to reduce its investment balances and to rely on internal borrowing as much as possible instead of undertaking external borrowing from the Public Works Loan Board (PWLB). This is sustainable while the Council has sufficient balances and reserves to avoid the need for external borrowing. By essentially lending its own funds to itself the Council is able to minimise borrowing costs and reduce overall treasury risk by reducing the level of its external investment balances. If cash is required for short term cash flow purposes, the Council intends to access temporary loans through the market which are readily available at very attractive rates.
- 4.3 However, the level of internal borrowing in relation to the level of the Council’s reserves and balances will be monitored throughout the year with a view to externalising borrowing if required. Capital expenditure levels, market conditions and interest rate levels will also be monitored throughout the year to ensure that external borrowing is undertaken at the right time if required.
- 4.4 While the Council can borrow from a number of banks, it normally only borrows from the Public Works Loan Board (PWLB) which is a Government body that lends to public sector organisations. In conjunction with advice from its treasury advisor, Arlingclose Ltd, the Council will keep under review the following borrowing sources:
- Internal
  - PWLB
  - Local authorities
  - Commercial Banks
  - European Investment Bank
  - Money Markets
  - Capital markets (stock issues, commercial paper and bills)

## **Treasury Management Strategy Statement and Investment Strategy 2013/14 to 2015/16**

- Structured finance
- Leasing

### **5 Debt Rescheduling**

- 5.1 The Council is able to pay off loans earlier than we have to and to replace them with cheaper loans if we want to in order to save money or to reduce the risk to the Council. Sometimes, we will replace these loans and sometimes not, depending on market conditions and interest rates.
- 5.2 Any rescheduling activity will be undertaken within the Council's treasury management policy and strategy. The Council will consult in advance with Arlingclose the strategy and framework within which debt will be repaid/rescheduled if opportunities arise.
- 5.3 The lower interest rate environment and changes in the rules regarding the premature repayment of PWLB loans has adversely affected the scope to undertake meaningful debt rescheduling although occasional opportunities arise.
- 5.4 Borrowing and debt rescheduling activity undertaken during the year will be reported as part of the Capital Plan Monitoring Report.

### **6 Minimum Revenue Provision (MRP) Statement**

- 6.1 The Council sets aside money each year to repay debt and this is known as the Minimum Revenue Provision (MRP). In 2013/14, this will be £8.2m.
- 6.2 There are four different methods of calculating MRP and the Council needs to say each year which methods it will use. This is known as the MRP Statement.
- 6.3 The MRP Statement will be submitted to Council before the start of the 2013/14 financial year. If it is ever proposed to vary the terms of the original MRP Statement during the year, a revised statement will be put to Council at that time.

#### **6.4 MRP Statement**

The Council will apply the Regulatory Method for supported capital expenditure which means that MRP is charged at 4% of the Council's Capital Financing Requirement.

The Council will apply the Asset Life Method for unsupported capital expenditure which means that MRP is determined by the life of the asset for which the borrowing is undertaken.

## **Treasury Management Strategy Statement and Investment Strategy 2013/14 to 2015/16**

The different methods of calculation will affect how much money the Council sets aside for debt repayment. The above statement means that where the Welsh Government gives us the money to repay debt we will repay it at 4% of whatever is outstanding. Where we borrow through Prudential Borrowing we will charge an amount that lets us repay the debt over the expected life of the asset.

- 6.5 Adopting International Financial Reporting Standards (IFRS) has resulted in leases and Private Finance Initiative (PFI) schemes coming on the balance sheet. This affects how much it appears the Council has borrowed but this is effectively covered by grant payments. MRP in respect of leases and PFI schemes brought on the balance sheet under IFRS will match the annual principal repayment for the associated deferred liability. This is a technical accounting adjustment which is cost neutral for the Council.
- 6.6 MRP on Housing assets is made in accordance with statutory requirements (the General Determination of the Item 8 Credit and Item 8 Debit).

### **7 Reporting Treasury Management Activity**

The Section 151 Officer (Head of Finance & Assets) will report to the Corporate Governance Committee on treasury management activity / performance as follows:

- (a) The Treasury Management Strategy Statement and Prudential Indicators will be submitted to the committee in February each year prior to approval by Council.
- (b) Two treasury management updates will be submitted to the committee in July and December each year.
- (c) An annual report on treasury activity will be submitted to the committee in September each year for the preceding year prior to approval by Cabinet.

A treasury update will also be included in the monthly Revenue Monitoring report and borrowing will be reported on in the Capital Plan to Council.

### **8 Other items**

#### **8.1 Member Training**

The CIPFA Code of Practice on Treasury Management requires the Section 151 Officer to ensure that all members tasked with treasury management responsibilities, including scrutiny of the treasury management function, receive appropriate training relevant to their needs and understand fully their roles and responsibilities.

The Council has nominated the Corporate Governance Committee as the committee which has responsibility for scrutiny of the treasury management function. Annual training requirements will be agreed with the Corporate Governance Committee.

## **Treasury Management Strategy Statement and Investment Strategy 2013/14 to 2015/16**

### **8.2 Treasury Management Consultants**

The Council uses Arlingclose Ltd as Treasury Management Consultants and receives the following services:

- Credit advice
- Investment advice
- Borrowing advice
- Technical accounting advice
- Economic & interest rate forecasts
- Workshops and training events

The Council maintains the quality of the service with its advisors by holding quarterly strategy meetings and tendering every 5 years. The current contract with Arlingclose is until 31 December 2013 at which point a tendering exercise will be undertaken.

### **8.3 Housing Revenue Account Subsidy Reform**

The Welsh Government is in negotiations with HM Treasury regarding the reform of the HRA subsidy system in Wales. Details of the precise mechanism & timing are not available at this stage. The authority will monitor developments in this area as further details become available. It is likely the changes will be implemented from 2014/15.

### **8.4 Impact of Corporate Plan**

**Annex E** outlines the likely impact of the Corporate Plan on this strategy and on the Prudential Indicators.



**Treasury Management Strategy Statement  
and Investment Strategy 2013/14 to 2015/16**

**ANNEX A**

**PRUDENTIAL INDICATORS 2013/14 TO 2015/16**

**1 Background**

The indicators are calculated to demonstrate that the Council's borrowing is affordable and are underpinned by the following regulations. There is a requirement under the Local Government Act 2003 for local authorities to have regard to CIPFA's Prudential Code for Capital Finance in Local Authorities (the "CIPFA Prudential Code") when setting and reviewing their Prudential Indicators.

**2 Gross Debt and the Capital Financing Requirement**

This is a key indicator of prudence. In order to ensure that over the medium term debt will only be for a capital purpose, the Council should ensure that debt does not, except in the short term, exceed the total of the capital financing requirement in the preceding year plus the estimates of any additional increases to the capital financing requirement for the current and next two financial years.

The Section 151 Officer reports that the Council had no difficulty meeting this requirement in 2012/13 to date nor are there any difficulties envisaged in future years. This view takes into account current commitments, existing plans and the proposals in the approved budget.

**3 Estimates of Capital Expenditure**

3.1 This indicator is set to ensure that the level of proposed capital expenditure remains within sustainable limits and, in particular, to consider the impact on Council Tax and in the case of the HRA, housing rent levels.

| <b>Capital Expenditure</b> | <b>2012/13<br/>Approved<br/>£000</b> | <b>2012/13<br/>Revised<br/>£000</b> | <b>2013/14<br/>Estimate<br/>£000</b> | <b>2014/15<br/>Estimate<br/>£000</b> | <b>2015/16<br/>Estimate<br/>£000</b> |
|----------------------------|--------------------------------------|-------------------------------------|--------------------------------------|--------------------------------------|--------------------------------------|
| Council Fund               | 34,779                               | 34,577                              | 15,894                               | 6,740                                | 4,970                                |
| HRA                        | 7,452                                | 7,452                               | 4,998                                | 5,148                                | 5,302                                |
| <b>Total</b>               | <b>42,231</b>                        | <b>42,029</b>                       | <b>20,892</b>                        | <b>11,888</b>                        | <b>10,272</b>                        |

NB The Council Fund indicators are based on the latest proposed capital bids and block allocations and these will be updated before the report is submitted to Council for approval on 26 February 2013. Note the most significant movement between years relates to grant funding.

The Housing Revenue Account indicators have been calculated based on the latest estimates from the Housing Stock Business Plan which this year includes a revised Stock Condition Survey which will inform capital

## Treasury Management Strategy Statement and Investment Strategy 2013/14 to 2015/16

expenditure over the next 5-10 years. These will be updated in accordance with the budget approved by Cabinet at its meeting of 19 February 2013.

### 3.2 Capital expenditure will be financed as follows:

| Capital Financing      | 2012/13<br>Approved<br>£000 | 2012/13<br>Revised<br>£000 | 2013/14<br>Estimate<br>£000 | 2014/15<br>Estimate<br>£000 | 2015/16<br>Estimate<br>£000 |
|------------------------|-----------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|
| <b>Council Fund</b>    |                             |                            |                             |                             |                             |
| Capital Receipts       | 1,147                       | 826                        | 77                          |                             |                             |
| Grants & Contributions | 13,174                      | 18,908                     | 7,086                       | 2,586                       | 1,841                       |
| Revenue Contributions  |                             |                            |                             |                             |                             |
| Supported Borrowing    | 9,721                       | 6,992                      | 4,505                       | 2,947                       | 2,864                       |
| Prudential Borrowing   | 10,737                      | 7,851                      | 4,226                       | 1,207                       | 265                         |
| <b>Total</b>           | <b>34,779</b>               | <b>34,577</b>              | <b>15,894</b>               | <b>6,740</b>                | <b>4,970</b>                |
| <b>HRA</b>             |                             |                            |                             |                             |                             |
| Capital Receipts       | 17                          | 18                         | 19                          | 20                          | 20                          |
| Grants & Contributions | 2,400                       | 2,400                      | 2,400                       | 2,400                       | 2,400                       |
| Revenue Contributions  | 565                         | 539                        | 1,005                       | 575                         | 1,004                       |
| Supported Borrowing    |                             |                            |                             |                             |                             |
| Prudential Borrowing   | 4,470                       | 4,495                      | 1,574                       | 2,153                       | 1,878                       |
| <b>Total</b>           | <b>7,452</b>                | <b>7,452</b>               | <b>4,998</b>                | <b>5,148</b>                | <b>5,302</b>                |

## 4 Ratio of Financing Costs to Net Revenue Stream

4.1 This is an indicator of affordability and highlights the revenue implications of existing and proposed capital expenditure by identifying the proportion of the revenue budget required to meet borrowing costs. It shows how much of its budget the Council uses to repay debt and interest.

4.2 The ratio is based on costs net of investment income.

| Ratio of Financing<br>Costs to Net<br>Revenue Stream | 2012/13<br>Approved<br>£000 | 2012/13<br>Revised<br>£000 | 2013/14<br>Estimate<br>£000 | 2014/15<br>Estimate<br>£000 | 2015/16<br>Estimate<br>£000 |
|------------------------------------------------------|-----------------------------|----------------------------|-----------------------------|-----------------------------|-----------------------------|
| Financing Costs                                      | 12,257                      | 12,280                     | 12,192                      | 12,383                      | 12,002                      |
| Net Revenue Stream                                   | 177,379                     | 177,379                    | 180,195                     | 181,000                     | 181,000                     |
| <b>Non-HRA Ratio</b>                                 | <b>6.91%</b>                | <b>6.92%</b>               | <b>6.77%</b>                | <b>6.84%</b>                | <b>6.63%</b>                |
| Financing Costs                                      | 2,649                       | 2,671                      | 2,971                       | 3,056                       | 3,171                       |
| Net Revenue Stream                                   | 11,874                      | 11,869                     | 12,573                      | 12,866                      | 13,375                      |
| <b>HRA Ratio</b>                                     | <b>22.31%</b>               | <b>22.50%</b>              | <b>23.63%</b>               | <b>23.75%</b>               | <b>23.71%</b>               |

## 5 Capital Financing Requirement

5.1 The Capital Plan relies on various sources of finance i.e. grants, contributions and capital receipts. Once these are used up, we need to rely on borrowing and the Capital Financing Requirement (CFR) is the amount we need to borrow. Our borrowing shouldn't therefore go above the CFR. The Council's CFR and borrowing levels are compared in the table below for the current and future years.

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| Capital Financing Requirement | 31/03/13<br>Approved<br>£000 | 31/03/13<br>Revised<br>£000 | 31/03/14<br>Estimate<br>£000 | 31/03/15<br>Estimate<br>£000 | 31/03/16<br>Estimate<br>£000 |
|-------------------------------|------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|
| Council Fund                  | 151,245                      | 145,655                     | 147,132                      | 143,972                      | 139,914                      |
| HRA                           | 28,696                       | 28,949                      | 28,901                       | 29,355                       | 29,426                       |
| <b>Total CFR</b>              | <b>179,941</b>               | <b>174,604</b>              | <b>176,033</b>               | <b>173,327</b>               | <b>169,340</b>               |
| <b>Total Debt</b>             | <b>158,197</b>               | <b>133,269</b>              | <b>141,953</b>               | <b>142,169</b>               | <b>144,521</b>               |

Note that the projected debt level at 31/03/13 was estimated to be £25m higher than the current estimate because the original estimate was based on the capital expenditure in the Capital Plan to be funded by borrowing for 2012/13. In practice, the Council has been internally borrowing as discussed earlier in the report and has not undertaken any external borrowing this year.

- 5.2 The move to International Financial Reporting Standards (IFRS) has resulted in the Council's Private Finance Initiative (PFI) being brought onto the Balance Sheet and this has resulted in an increase in the CFR as illustrated in the table below:

| Capital Financing Requirement | 31/03/13<br>Approved<br>£000 | 31/03/13<br>Revised<br>£000 | 31/03/14<br>Estimate<br>£000 | 31/03/15<br>Estimate<br>£000 | 31/03/16<br>Estimate<br>£000 |
|-------------------------------|------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|
| Council Fund                  | 151,245                      | 145,655                     | 147,132                      | 143,972                      | 139,914                      |
| HRA                           | 28,696                       | 28,949                      | 28,901                       | 29,355                       | 29,426                       |
| PFI                           | 10,676                       | 10,676                      | 10,564                       | 10,475                       | 10,425                       |
| <b>Total CFR</b>              | <b>190,617</b>               | <b>185,280</b>              | <b>186,597</b>               | <b>183,802</b>               | <b>179,765</b>               |

## 6 Incremental Impact of Capital Investment Decisions

- 6.1 This indicator shows how much of the Council Tax income is spent on paying debt interest.

| Incremental Impact of Capital Investment Decisions | 2012/13<br>Approved<br>£ | 2013/14<br>Estimate<br>£ | 2014/15<br>Estimate<br>£ | 2015/16<br>Estimate<br>£ |
|----------------------------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Increase in Band D Council Tax due to:             |                          |                          |                          |                          |
| Prudential Borrowing                               | 10.12                    | 0.85                     | 0.00                     | 0.00                     |
| Capital Receipts                                   | 0.46                     | 0.02                     | 0.00                     | 0.00                     |
| Reserves                                           | 0.00                     | 0.00                     | 0.00                     | 0.00                     |
| <b>Total</b>                                       | <b>10.58</b>             | <b>0.87</b>              | <b>0.00</b>              | <b>0.00</b>              |
| Average Weekly Housing Rents                       | 1.69                     | 1.67                     | 1.01                     | 0.95                     |

Between 2007/08 and 2012/13, the Council has budgeted to undertake a total of £32.0m prudential borrowing. The cumulative impact of this has been an increase in Council Tax of £70.08.

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This indicator shows the equivalent impact on Council Tax of the decision to undertake Prudential Borrowing as well as the investment interest lost by using capital receipts and reserves to part fund the Capital Plan. The impact of supported borrowing has not been included because it is assumed that the Council would always spend its supported borrowing to fund its Capital Plan.

The increases in council house rents reflect the additional costs of financing the borrowing to be undertaken each year as part of the Housing Stock Business Plan with the aim to attain the Welsh Housing Quality Standard during 2013. The indicator illustrates the impact of each year's capital expenditure and new borrowing on weekly rents.

### 7 Authorised Limit & Operational Boundary for External Debt

7.1 The Council has an integrated treasury management strategy and manages its treasury position in accordance with its approved strategy and practice. Overall borrowing will therefore arise as a consequence of all the financial transactions of the Council and not just those arising from capital spending reflected in the CFR.

7.2 The **Authorised Limit** sets the maximum level of external borrowing. It is measured on a daily basis against all external borrowing items on the Balance Sheet i.e. long and short term borrowing, overdrawn bank balances and long term liabilities. This Prudential Indicator separately identifies borrowing from other long term liabilities such as finance leases. It is consistent with the Council's existing commitments, its proposals for capital expenditure and financing and its approved treasury management policy statement and practices. This is reported as a part of the Capital Monitoring Report.

7.3 The Authorised Limit has been set on the estimate of the most likely, prudent but not worst case scenario with sufficient headroom over and above this to allow for unusual cash movements.

7.4 The Authorised Limit is the statutory limit determined under Section 3(1) of the Local Government Act 2003 (referred to in the legislation as the Affordable Limit) and if it is breached, it would be reported to the next Council meeting.

| Authorised Limit for External Debt | 2012/13 Approved<br>£000 | 2012/13 Revised<br>£000 | 2013/14 Estimate<br>£000 | 2014/15 Estimate<br>£000 | 2015/15 Estimate<br>£000 |
|------------------------------------|--------------------------|-------------------------|--------------------------|--------------------------|--------------------------|
| Borrowing                          | 180,000                  | 155,000                 | 165,000                  | 165,000                  | 165,000                  |

7.5 The **Operational Boundary** links directly to the Council's estimates of the CFR and estimates of other cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely,

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prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

| <b>Operational Boundary for External Debt</b> | <b>2012/13 Approved £000</b> | <b>2012/13 Revised £000</b> | <b>2013/14 Estimate £000</b> | <b>2014/15 Estimate £000</b> | <b>2015/16 Estimate £000</b> |
|-----------------------------------------------|------------------------------|-----------------------------|------------------------------|------------------------------|------------------------------|
| Borrowing                                     | 175,000                      | 150,000                     | 160,000                      | 160,000                      | 160,000                      |

**8 Adoption of the CIPFA Treasury Management Code**

- 8.1 This indicator demonstrates that the Council has adopted the principles of best practice. The Council adopted the original Code in March 2002. A revised Code was issued in November 2009 and another in November 2011. One of the recommendations is that the Code is adopted by Council.

| <b>Adoption of the CIPFA Code of Practice in Treasury Management</b>                                                           |
|--------------------------------------------------------------------------------------------------------------------------------|
| The Council approved the adoption of the revised CIPFA Treasury Management Code (Nov 2011) at its meeting on 28 February 2012. |

**9 Upper Limits for Fixed Interest Rate Exposure and Variable Interest Rate Exposure**

- 9.1 These indicators allow the Council to manage the extent to which it is exposed to changes in interest rates. This Council calculates these limits on a net interest paid basis (i.e. interest paid on fixed rate debt net of interest received on fixed rate investments).
- 9.2 The upper limit for variable rate exposure has been set to ensure that the Council is not exposed to interest rate rises which could adversely impact on the revenue budget. The limit allows for the use of variable rate debt to offset exposure to changes in short-term rates on investments.

|                                                     | <b>2012/13 Approved %</b> | <b>2013/14 Estimate %</b> | <b>2014/15 Estimate %</b> | <b>2015/16 Estimate %</b> |
|-----------------------------------------------------|---------------------------|---------------------------|---------------------------|---------------------------|
| <b>Upper Limit for Fixed Interest Rate Exposure</b> | 100                       | 100                       | 100                       | 100                       |
| <b>Upper Limit for Variable Rate Exposure</b>       | 40                        | 40                        | 40                        | 40                        |

- 9.3 The limits above provide the necessary flexibility within which decisions will be made for drawing down new loans on a fixed or variable rate basis; the decisions will ultimately be determined by expectations of anticipated interest rate movements as set out in the Council's treasury management strategy.

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**10 Maturity Structure of Fixed Rate borrowing**

- 10.1 This indicator highlights the existence of any large concentrations of fixed rate debt needing to be replaced at times of uncertainty over interest rates and is designed to protect against excessive exposures to interest rate changes in any one period, in particular in the course of the next ten years.
- 10.2 It is calculated as the amount of projected borrowing that is fixed rate maturing in each period as a percentage of total projected borrowing that is fixed rate. The maturity of borrowing is determined by reference to the earliest date on which the lender can require payment.

| <b>Maturity structure of fixed rate borrowing</b> | <b>Actual %</b> | <b>Lower Limit %</b> | <b>Upper Limit %</b> |
|---------------------------------------------------|-----------------|----------------------|----------------------|
| under 12 months                                   | 1.13            | 0                    | 10                   |
| 12 months and within 24 months                    | 4.24            | 0                    | 10                   |
| 24 months and within 5 years                      | 6.01            | 0                    | 20                   |
| 5 years and within 10 years                       | 11.41           | 0                    | 25                   |
| 10 years and above                                | 77.21           | 50                   | 100                  |

**11 Credit Risk**

- 11.1 The Council considers security, liquidity and yield, in that order, when making investment decisions.
- 11.2 Credit ratings remain an important element of assessing credit risk, but they are not a sole feature in the Council's assessment of counterparty credit risk.
- 11.3 The Council also considers alternative assessments of credit strength, and information on corporate developments of and market sentiment towards counterparties. The following key tools are used to assess credit risk:
- Published credit ratings of the financial institution (minimum A- or equivalent) and its sovereign (minimum AA+ or equivalent for non-UK sovereigns);
  - Sovereign support mechanisms;
  - Credit default swaps (where quoted);
  - Share prices (where available);
  - Economic fundamentals, such as a country's net debt as a percentage of its GDP);
  - Corporate developments, news, articles, markets sentiment and momentum;
  - Subjective overlay.
- 11.4 The only indicators with prescriptive values are credit ratings. Other indicators of creditworthiness are considered in relative rather than absolute terms.

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**12 Upper Limit for total principal sums invested over 364 days**

- 12.1 The purpose of this limit is to contain exposure to the possibility of loss that may arise as a result of the Council having to seek early repayment of the sums invested.

| <b>Upper Limit for total principal sums invested over 364 days</b> | <b>2012/13 Approved £m</b> | <b>2013/14 Estimate £m</b> | <b>2014/15 Estimate £m</b> | <b>2015/16 Estimate £m</b> |
|--------------------------------------------------------------------|----------------------------|----------------------------|----------------------------|----------------------------|
|                                                                    | 6.00                       | 6.00                       | 6.00                       | 6.00                       |

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**ANNEX B**

**Specified and Non-Specified Investments**

| <b>Investment</b>                                                | <b>Specified</b> | <b>Non-Specified</b> | <b>Maximum Specified Counterparty Limit (£m)</b> |
|------------------------------------------------------------------|------------------|----------------------|--------------------------------------------------|
| Term deposits with UK banks and building societies               | ✓                | ✓                    | 8                                                |
| Term deposits with non UK banks and building societies           | ✓                | ✓                    | 5                                                |
| Term deposits with other UK local authorities                    | ✓                | ✓                    | No limit                                         |
| Investments with Registered Providers                            | ✓                | ✓                    | 5                                                |
| Certificates of deposit with UK banks and building societies     | ✓                | ✓                    | 8                                                |
| Certificates of deposit with non UK banks and building societies | ✓                | ✓                    | 5                                                |
| Gilts                                                            | ✓                | ✓                    | No limit                                         |
| Treasury Bills (T-Bills)                                         | ✓                | x                    | No limit                                         |
| Bonds issued by Multilateral Development Banks                   | ✓                | ✓                    | 5                                                |
| Local Authority Bills                                            | ✓                | x                    | No limit                                         |
| Commercial Paper                                                 | ✓                | x                    | 5                                                |
| Corporate Bonds                                                  | ✓                | ✓                    | 5                                                |
| AAA rated Money Market Funds                                     | x                | ✓                    | *                                                |
| Other Money Market and Collective Investment Schemes             | ✓                | ✓                    | 5                                                |
| Debt Management Account Deposit Facility                         | ✓                | x                    | No limit                                         |

\* Investments in Money Market Funds are classified as non-specified investments in Wales because the regulations state that they must be accounted for as capital expenditure. Investments in each Money Market Fund should be limited to 10% of the Council's total investments rounded up to the next £million e.g. if the total investments are £25m, then the limit in each fund would be £2.5m rounded up to £3m.



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**ANNEX C**

**Recommended Sovereign and Counterparty List**

| <b>Instrument</b>                         | <b>Country/<br/>Domicile</b> | <b>Counterparty</b>                                            | <b>Maximum<br/>Counterparty<br/>Limit (£m)</b> |
|-------------------------------------------|------------------------------|----------------------------------------------------------------|------------------------------------------------|
| Term Deposits /<br>CDs / Call<br>Accounts | UK                           | Santander UK Plc<br>(Banco Santander Group)                    | 8                                              |
| Term Deposits /<br>CDs / Call<br>Accounts | UK                           | Bank of Scotland<br>(Lloyds Banking Group)                     | 8                                              |
| Term Deposits /<br>CDs / Call<br>Accounts | UK                           | Lloyds TSB<br>(Lloyds Banking Group)                           | 8                                              |
| Term Deposits /<br>CDs / Call<br>Accounts | UK                           | Barclays Bank Plc                                              | 8                                              |
| Term Deposits /<br>CDs / Call<br>Accounts | UK                           | HSBC Bank Plc                                                  | 8                                              |
| Term Deposits /<br>CDs / Call<br>Accounts | UK                           | Nationwide Building Society                                    | 8                                              |
| Term Deposits /<br>CDs / Call<br>Accounts | UK                           | NatWest<br>(RBS Group)                                         | 8                                              |
| Term Deposits /<br>CDs / Call<br>Accounts | UK                           | Royal Bank of Scotland<br>(RBS Group)                          | 8                                              |
| Term Deposits /<br>CDs / Call<br>Accounts | UK                           | Standard Chartered Bank                                        | 8                                              |
| Term Deposits /<br>CDs / Call<br>Accounts | Australia                    | Australia and NZ Banking Group                                 | 5                                              |
| Term Deposits /<br>CDs / Call<br>Accounts | Australia                    | Commonwealth Bank of Australia                                 | 5                                              |
| Term Deposits /<br>CDs / Call<br>Accounts | Australia                    | National Australia Bank Ltd<br>(National Australia Bank Group) | 5                                              |
| Term Deposits /<br>CDs / Call<br>Accounts | Australia                    | Westpac Banking Corp                                           | 5                                              |
| Term Deposits /<br>CDs / Call<br>Accounts | Canada                       | Bank of Montreal                                               | 5                                              |
| Term Deposits /<br>CDs / Call<br>Accounts | Canada                       | Bank of Nova Scotia                                            | 5                                              |
| Term Deposits /<br>CDs / Call<br>Accounts | Canada                       | Canadian Imperial Bank of Commerce                             | 5                                              |
| Term Deposits /<br>CDs / Call<br>Accounts | Canada                       | Royal Bank of Canada                                           | 5                                              |

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|                                           |             |                                             |   |
|-------------------------------------------|-------------|---------------------------------------------|---|
| Term Deposits /<br>CDs / Call<br>Accounts | Canada      | Toronto-Dominion Bank                       | 5 |
| Term Deposits /<br>CDs / Call<br>Accounts | Finland     | Nordea Bank Finland                         | 5 |
| Term Deposits /<br>CDs / Call<br>Accounts | France      | BNP Paribas                                 | 5 |
| Term Deposits /<br>CDs / Call<br>Accounts | France      | Credit Agricole CIB (Credit Agricole Group) | 5 |
| Term Deposits /<br>CDs / Call<br>Accounts | France      | Credit Agricole SA (Credit Agricole Group)  | 5 |
| Term Deposits /<br>CDs / Call<br>Accounts | France      | Société Générale                            | 5 |
| Term Deposits /<br>CDs / Call<br>Accounts | Germany     | Deutsche Bank AG                            | 5 |
| Term Deposits /<br>CDs / Call<br>Accounts | Netherlands | ING Bank NV                                 | 5 |
| Term Deposits /<br>CDs / Call<br>Accounts | Netherlands | Rabobank                                    | 5 |
| Term Deposits /<br>CDs / Call<br>Accounts | Netherlands | Bank Nederlandse Gemeenten                  | 5 |
| Term Deposits /<br>CDs / Call<br>Accounts | Sweden      | Svenska Handelsbanken                       | 5 |
| Term Deposits /<br>CDs / Call<br>Accounts | Switzerland | Credit Suisse                               | 5 |
| Term Deposits /<br>CDs / Call<br>Accounts | US          | JP Morgan                                   | 5 |

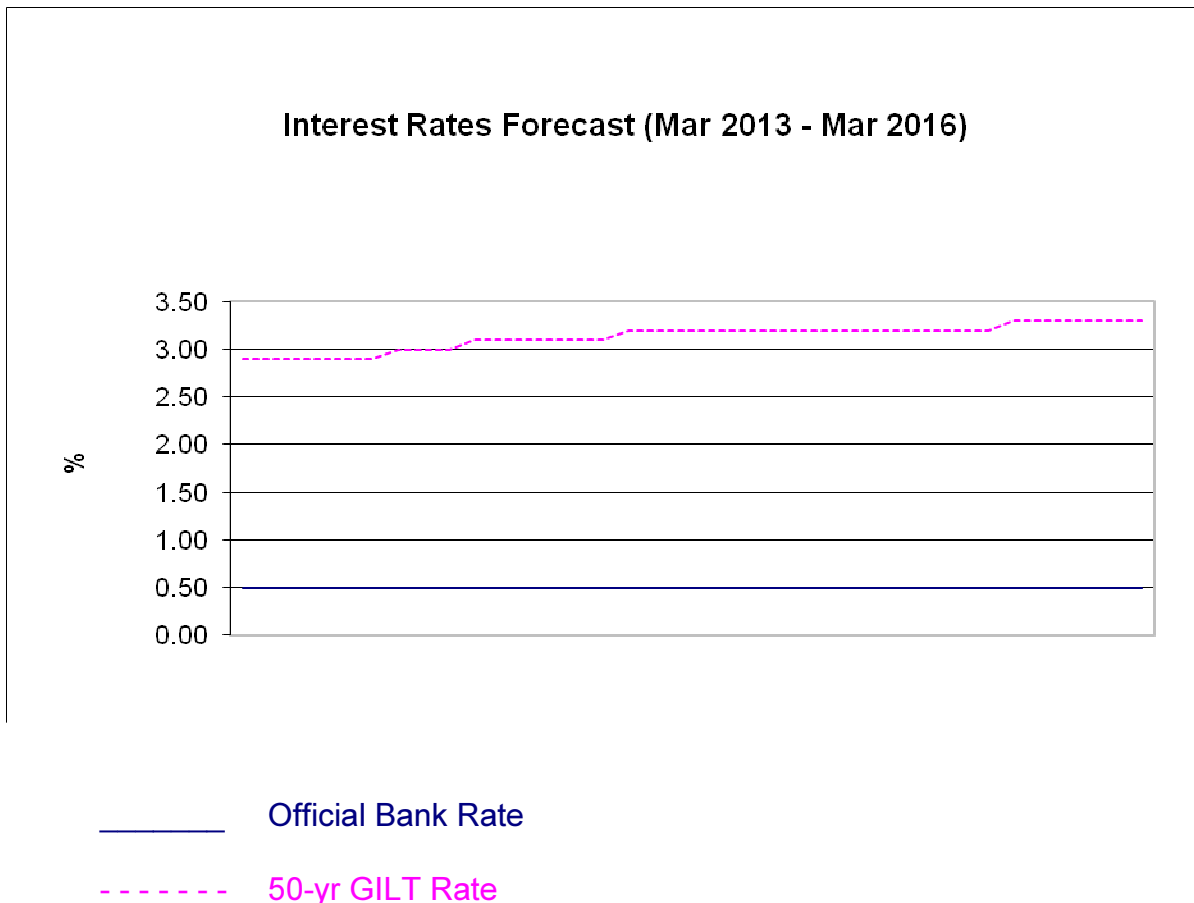
NB Non-UK Banks - Investments with non-UK banks should be limited to £10m in total.

NB Group Limits - For institutions within a banking group, a limit of 1.5 times the individual limit of a single bank within that group will apply.

INTEREST RATES FORECAST

The graph below shows the interest rate forecast for the Official UK Bank Rate and the 50 year GILT rate from March 2013 to March 2016. The Official Bank Rate influences the rate at which the Council can invest. The GILT rate is the rate at which the Government borrows money and therefore this affects the rate at which we can borrow from the PWLB which is approximately 1% above GILT rates.

As the graph shows, it's much more expensive to borrow than to invest at the moment with the Official UK Bank Rate expected to remain at 0.5% for some time. The graph illustrates that the difference between investment and borrowing rates is approximately 3%. This means that the cost of carry referred to in paragraph 4.1 in **Appendix 1** is approximately £30,000 for every £1m borrowed because the Council could borrow for 50 years at a rate of approximately 4% but could only invest at a rate of approximately 1%.



## **IMPACT OF CORPORATE PLAN**

### **1 Introduction**

The Corporate Plan 2012-17 sets out the following priorities over the next five years and outlines that we will need to invest somewhere in the region of an additional £134m of capital funding in our priorities over the next five years.

The Plan is ambitious but is affordable. It is vital that a robust treasury management and governance framework is in place to support the Plan. The following paragraphs outline the key treasury issues that will be considered as the Plan develops.

#### **1.1 Developing the local economy**

We predict that the council will invest an additional £2m in this priority over the next 5 years.

#### **1.2 Improving performance in education and the quality of our school buildings**

We already have an agreed 21<sup>st</sup> Century Schools Programme that will cost £74m to deliver, of which we expect £37m to come from the Welsh Government. In addition, we aim to invest a further £23m on implementing our area reviews, refurbishments and other improvements to our schools.

#### **1.3 Improving our roads**

This priority will receive further investment of £10.4m over the period of the Corporate Plan which is in addition to the additional investment already agreed for 2012-13.

#### **1.4 Vulnerable people are protected and are able to live as independently as possible**

We estimate a need for three extra care facilities which will cost approximately £7m each. We expect a significant proportion of this cost to be shared with private sector partners and Registered Social Landlords. We also expect to invest an additional £500k into Cefndy Enterprises. This equates to an additional investment of £21.5m in this priority over the next 5 years.

#### **1.5 Clean and tidy streets**

This priority can be addressed without the need for large, additional capital investment.

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### **1.6 Ensuring access to good quality housing**

Much of the investment needed to deliver this priority will come from the existing housing budgets.

### **1.7 Modernising the council to deliver efficiencies and improve services for our customers**

Over the next 5 years, we expect to invest approximately £4m of additional capital funding to deliver this priority.

## **2 Impact on Treasury Management Strategy**

### **2.1 Investment Strategy**

It is expected that we will need to borrow somewhere in the region of £53m to fund the Corporate Plan over the next 5 years. The exact timing of the borrowing is not yet known but this will have an impact on the investment strategy because we will need to decide if we are going to use up our investment cash first before borrowing externally. If we run our investment cash down to nil, this will have an impact on our investment returns but this is likely to make financial sense in the current climate because the cost of borrowing is far higher than the return we can earn on our investments.

### **2.2 Borrowing Strategy**

As stated above, it is cheaper for us to delay borrowing externally as long as possible in the current climate so this strategy is likely to continue in the medium term. This is sustainable while we have a sufficient level of balances and reserves to use up but at some point during the period of the Corporate Plan, it will become necessary to start to borrow externally. We will however monitor interest rates before this point to ensure that we don't miss out on the relatively low rates which are available at the moment. Some of the borrowing will be repaid during the course of the Corporate Plan.

## **3 Impact on Prudential Indicators**

### **3.1 Estimates of Capital Expenditure**

It is assumed that we will invest approximately £134m in the Corporate Plan over 5 years and that we will need to borrow somewhere in the region of £53m but the exact timing is unknown. This will result in an increase in the capital expenditure over the period of the Corporate Plan. The proposed schemes are still at the planning stages currently. As the details of the schemes become available and are formally approved in the Capital Plan, they will be built into the Prudential Indicators and reported to members in the annual Treasury Management Strategy Statement each February.

## **Treasury Management Strategy Statement and Investment Strategy 2013/14 to 2015/16**

### **3.2 Ratio of Financing Costs to Net Revenue Stream**

Of course all of this money will have to be repaid so our financing costs will increase as we undertake more borrowing but this will be monitored to ensure that our borrowing plans are affordable. We have experience of using prudential borrowing and we have used it successfully in the past to invest in our roads and housing stock and other assets.

### **3.3 Capital Financing Requirement & Actual External Debt**

Over the period of the Corporate Plan, the Capital Financing Requirement will increase as our underlying need to borrow increases but again, this will be carefully monitored to ensure affordability.

### **3.4 Incremental Impact of Capital Investment Decisions**

There is likely to be some impact on Council Tax but the residents will see a benefit as a result of the increased capital investment in the County. Although there are risks attached to any significant level of capital spending, we believe that the risks of not investing in our priorities are even greater. If we chose not to invest in our priorities, our residents would see a deterioration in the standard of our roads and schools and we would need to spend more and more money just to be able to maintain existing standards.

### **3.5 Authorised Limit & Operational Boundary for External Debt**

The borrowing limits will be increased to accommodate the additional borrowing required to fund the Corporate Plan and the borrowing levels will be monitored to ensure that we remain within these limits.

## Treasury Management Strategy Statement and Investment Strategy 2013/14 to 2015/16

### GLOSSARY - Useful guide to Treasury Management Terms and Acronyms

|                  |                                                                                                                                                                 |
|------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Bank of England  | UK's Central Bank                                                                                                                                               |
| Bank Rate        | Bank of England Interest Rate (also known as Base Rate)                                                                                                         |
| CPI              | Consumer Price Index – a measure of the increase in prices                                                                                                      |
| RPI              | Retail Price Index – a measure of the increase in prices                                                                                                        |
| DMO              | Debt Management Office – issuer of gilts on behalf of HM Treasury                                                                                               |
| FSA              | Financial Services Authority - the UK financial watchdog                                                                                                        |
| GDP              | Gross Domestic Product – a measure of financial output of the UK                                                                                                |
| GILTS            | Investments issued by UK Government which pay a fixed cash payment to the holder                                                                                |
| LIBID            | London Interbank Bid Rate - International rate that banks lend to other banks                                                                                   |
| LIBOR            | London Interbank Offer Rate – International rate that banks borrow from other banks (the most widely used benchmark or reference for short term interest rates) |
| PWLB             | Public Works Loan Board – a Government department that lends money to Public Sector Organisations                                                               |
| MPC              | Monetary Policy Committee - the committee of the Bank of England that sets the Bank Rate                                                                        |
| Long term rates  | More than 12 months duration                                                                                                                                    |
| Short term rates | Less than 12 months duration                                                                                                                                    |

Mae tudalen hwn yn fwriadol wag



|                            |                                                 |
|----------------------------|-------------------------------------------------|
| <b>Adroddiad ar gyfer:</b> | <b>Y Pwyllgor Llywodraethu Corfforaethol</b>    |
| <b>Dyddiad y Cyfarfod:</b> | <b>Ionawr 9, 2013</b>                           |
| <b>Awdur yr Adroddiad:</b> | <b>Pennaeth y Gwasanaethau Archwilio Mewnol</b> |
| <b>Teitl:</b>              | <b>Adroddiad Cynnydd Archwilio Mewnol</b>       |

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## 1. Beth mae'r adroddiad yn ymwneud ag o?

Mae'r adroddiad hwn yn diweddarar'r Pwyllgor ar gynnydd diweddaraf y gwasanaeth Archwilio Mewnol o ran cyflenwi gwasanaeth, darparu sicrwydd, adolygiadau a gwblhawyd, perfformiad ac effeithiolrwydd gyda gyrru gwelliant.

## 2. Beth yw'r rheswm am wneud yr adroddiad yma?

I ddiweddarau Aelodau ar:

- gyflenwad ein Cynllun Gweithredol ar gyfer 2012/13
- adroddiadau Archwilio Mewnol diweddar
- ymateb rheolaeth i faterion a godwyd gennym ni
- perfformiad Archwilio Mewnol

## 3. Beth yw'r Argymhellion?

- Bod y Pwyllgor yn ystyried cynnydd a pherfformiad Archwilio Mewnol hyd yma yn 2012/13 ac yn rhoi sylwadau
- Bod y Pwyllgor yn ystyried yr adroddiadau Archwilio Mewnol diweddar ac yn rhoi sylwadau
- Bod y Pwyllgor yn ystyried yr ymateb i'n gwaith dilynol

## 4. Cynnydd Archwilio Mewnol

### ***Cyflenwi Cynllun Gweithredol Archwilio Mewnol 2012/13***

- 4.1. Mae Atodiad 1 yn rhoi dadansoddiad o'n gwaith yn ystod 2012/13, o'i gymharu â'r Strategaeth Archwilio Mewnol. Mae'n cynnwys sgorau sicrwydd a nifer o faterion a godwyd ar gyfer yr adolygiadau a gwblhawyd, diffiniadau a ddefnyddiwyd i ffurfio ein sicrwydd archwilio a'r graddfeydd a ddefnyddiwyd i asesu'r lefelau risg ar gyfer materion a godwyd.

### ***Crynodeb o Adroddiadau Archwilio Mewnol Diweddar***

4.2. Mae ein hadroddiadau'n defnyddio lliwiau ar gyfer graddfeydd sicrwydd fel a ganlyn:

|               |                  |                                                                             |
|---------------|------------------|-----------------------------------------------------------------------------|
| <b>Gwyrdd</b> | Sicrwydd Uchel   | Risgiau a rheoliadau wedi eu rheoli'n dda                                   |
| <b>Melyn</b>  | Sicrwydd Canolig | Risgiau a nodwyd ond y gellir eu rheoli ar lefel gwasanaeth                 |
| <b>Ambr</b>   | Sicrwydd Isel    | Risgiau a nodwyd sy'n gofyn am gyfarfod â Chyfarwyddwr/Aelod Arweiniol      |
| <b>Coch</b>   | Dim Sicrwydd     | Risgiau arwyddocaol a nodwyd sy'n gofyn am gynhadledd achos aelod / swyddog |

4.3. Ers fy adroddiad yn Nhachwedd 2012, rydyn ni wedi cyhoeddi'r adroddiadau canlynol.

| Adroddiad Archwilio                                           | Barn Archwilio | Materion a Godwyd    |                  |                      | Sylwadau                                                                                                                                  |
|---------------------------------------------------------------|----------------|----------------------|------------------|----------------------|-------------------------------------------------------------------------------------------------------------------------------------------|
|                                                               |                | Risg Critigol (Coch) | Risg Mawr (Ambr) | Risg Canolig (Melyn) |                                                                                                                                           |
| Risg cynhenid uchel o Gofrestr Risgiau Corfforaethol - DCC006 | <b>Gwyrdd</b>  | 0                    | 0                | 0                    | Y risg o waethgiad yn yr amgylchedd economaidd y tu hwnt i ddisgwyliadau cyfredol, gan arwain at fwy o alw am wasanaethau a llai o incwm. |
| Ysgol Uwchradd y Rhyl                                         | <b>Melyn</b>   | 0                    | 0                | 4                    |                                                                                                                                           |
| Rheolaeth Gweithrediadau TG                                   | <b>Melyn</b>   | 0                    | 1                | 7                    |                                                                                                                                           |
| Tir y Cyhoedd                                                 | <b>Melyn</b>   | 0                    | 2                | 12                   |                                                                                                                                           |
| Rheolaeth Perfformiad Corfforaethol                           | <b>Melyn</b>   | 0                    | 0                | 5                    |                                                                                                                                           |
| Diogelu Data a Rhyddid Gwybodaeth                             | <b>Ambr</b>    | 0                    | 4                | 3                    | Cynhaliwyd cyfarfod galw cynyddol â'r Prif Weithredwr a'r Aelod Arweiniol i drafod cynllun gweithredu                                     |

### ***Ymateb Rheolaeth i faterion a godwyd gan Archwilio Mewnol***

4.4. Mae'r rhan fwyaf o'n hadroddiadau Archwilio Mewnol yn nodi risgiau a gwendidau rheoli. Rydyn ni'n graddio'r rhain yn risgiau critigol, mawr neu ganolig. Bydd rheolaeth yn cadarnhau camau i ddelio â'r risgiau, yn cynnwys cyfrifoldebau a graddfeydd amser.

4.5. Byddwn yn adrodd pob achos lle bydd rheolaeth yn methu ag ymateb i'n gwaith dilynol neu lle byddan nhw'n methu'r dyddiad gweithredu a gytunwyd o fwy na thri mis. Bydd y Pwyllgor yma'n penderfynu a oes angen cymryd camau pellach, er enghraifft drwy alw'r bobl berthnasol i'r cyfarfod nesaf neu ofyn am adroddiad ysgrifenedig i esbonio'r diffyg cynnydd.

4.6 Rydyn ni ar hyn o bryd yn mynd ar ôl tri adroddiad Archwilio Mewnol lle nad yw camau wedi eu cwblhau o fewn tri mis i'r dyddiad gweithredu a gytunwyd. Er nad ydym eto wedi cyhoeddi'r adroddiadau dilynol, rwy'n dwyn y rhain i sylw'r pwyllgor yma'n gynnar. Y tri maes ydi:

- Adnoddau Dynol Strategol
- Cludiant Cartref i'r Ysgol
- Ysgol y Santes Ffraid

#### ***Perfformiad Archwilio Mewnol – Mesurau Allweddol***

***Mesur*** – Adolygu 100% o feysydd Sicrwydd S151 a gytunwyd yn y Cynllun Archwilio Gweithredol erbyn Mawrth 31, 2013

4.6. Hyd yma rydyn ni wedi cwblhau 40% o'r prosiectau a gynlluniwyd, gydag eraill i'w cwblhau cyn Mawrth 31, 2013.

***Mesur*** - Adolygu 100% o feysydd Sicrwydd Llywodraethu Corfforaethol yn y Cynllun Archwilio Gweithredol erbyn Mawrth 31, 2013

4.7. Mae gwaith yn gyfredol ar y Fframwaith Llywodraethu Corfforaethol drwy gydol y flwyddyn. Rydyn ni wedi cwblhau prosiect ar Reoli Perfformiad a byddwn yn adolygu rheolaeth risg cyn Mawrth 31, 2013.

***Mesur*** - Adolygu 100% o feysydd Sicrwydd Risg Corfforaethol Mawr yn y Cynllun Archwilio Gweithredol erbyn Mawrth 31, 2013.

4.8. Mae yna chwech o risgiau mawr ar y Gofrestr Risgiau Corfforaethol ar hyn o bryd. Rydyn ni wedi cwblhau gwaith mewn tri maes. Mae gwaith ar y gweill i gwblhau adolygiadau'r risgiau eraill erbyn Mawrth 31, 2013



## Appendix 1

### Internal Audit Work 2012/13 – progress as at 16 December 2012

| Internal Audit Operational Plan                                | Revised Planned Days | Days to Date | Current Status | Audit Assurance | No. of Critical Issues | No. of Major Issues | No. of Moderate Issues | Comments              |
|----------------------------------------------------------------|----------------------|--------------|----------------|-----------------|------------------------|---------------------|------------------------|-----------------------|
| <b>Financial Assurance</b>                                     |                      |              |                |                 |                        |                     |                        |                       |
| Financial Systems – Rhyll based                                | 40                   | 38           | Complete       | Green           | 0                      | 0                   | 4                      |                       |
| Financial Systems – Ruthin based                               | 30                   | 1            | Preparation    |                 |                        |                     |                        | Programmed for Jan 13 |
| Financial Systems Assurance Testing (IDEA) 2011-12             | 20                   | 20           | Complete       | Green           | 0                      | 0                   | 0                      |                       |
| Programme & Project Management                                 | 15                   | 5            | In progress    |                 |                        |                     |                        |                       |
| Procurement                                                    | 15                   | 0            | Not started    |                 |                        |                     |                        | Programmed for Mar 13 |
| <b>Sub-totals</b>                                              | <b>120</b>           | <b>64</b>    |                |                 |                        |                     |                        |                       |
| <b>Grant &amp; Other Certification Assurance</b>               |                      |              |                |                 |                        |                     |                        |                       |
| Sustainability/Climate Change                                  | 20                   | 24           | Draft report   |                 |                        |                     |                        |                       |
| Welsh Government (WG) Education Grant Certification            |                      |              |                |                 |                        |                     |                        |                       |
| - Breakfast initiative Grant                                   | 20                   | 4            | Complete       | Green           | 0                      | 0                   | 0                      |                       |
| - Thinking & Assessment for Learning Grant                     |                      | 10           | In progress    |                 |                        |                     |                        |                       |
| WG 6 <sup>th</sup> Form Funding – Ysgol Dinas Bran, Llangollen | 12                   | 12           | Complete       | Green           | 0                      | 0                   | 2                      |                       |
| WG Student Finance Certification                               | 6                    | 6            | Complete       | Green           | 0                      | 0                   | 1                      |                       |
| WG Adult Education Certification                               | 9                    | 9            | Complete       | Green           | 0                      | 0                   | 0                      |                       |
| <b>Sub-totals</b>                                              | <b>67</b>            | <b>65</b>    |                |                 |                        |                     |                        |                       |
| <b>Corporate Governance Assurance</b>                          |                      |              |                |                 |                        |                     |                        |                       |
| Risk Management                                                | 20                   | 0            | Not started    |                 |                        |                     |                        | Programmed for Feb 13 |
| Corporate Governance Framework                                 | 30                   | 12           | In progress    |                 |                        |                     |                        |                       |

| Internal Audit Operational Plan                                                                                                         | Revised Planned Days | Days to Date | Current Status | Audit Assurance | No. of Critical Issues | No. of Major Issues | No. of Moderate Issues | Comments                                            |
|-----------------------------------------------------------------------------------------------------------------------------------------|----------------------|--------------|----------------|-----------------|------------------------|---------------------|------------------------|-----------------------------------------------------|
| Corporate Performance Management                                                                                                        | 10                   | 11           | Complete       | Yellow          | 0                      | 0                   | 5                      |                                                     |
| <b>Sub-totals</b>                                                                                                                       | <b>60</b>            | <b>23</b>    |                |                 |                        |                     |                        |                                                     |
| <b>High Corporate Risk Assurance</b>                                                                                                    |                      |              |                |                 |                        |                     |                        |                                                     |
| The risk of a serious safeguarding error where the Council has responsibility                                                           | 15                   | 14           | Complete       |                 |                        |                     |                        | No report issued. Process review in taxi licensing. |
| The risk that we are unable to develop the staff and management capability to deliver the change agenda                                 | 5                    | 3            | In progress    |                 |                        |                     |                        |                                                     |
| The risk that the time and effort invested in collaboration is disproportionate to the benefits realised                                | 15                   | 2            | In progress    |                 |                        |                     |                        |                                                     |
| The risk that the economic environment worsens beyond current expectations, leading to additional demand on services and reduced income | 5                    | 3            | Complete       | Green           | 0                      | 0                   | 0                      |                                                     |
| The risk that strategic ICT infrastructure does not enable improvement and support change                                               | 10                   | 1            | In progress    |                 |                        |                     |                        |                                                     |
| The risk that our asset portfolio becomes an unmanageable liability and an obstacle to strategic planning                               | 4                    | 4            | Complete       | Green           | 0                      | 0                   | 0                      |                                                     |
| <b>Sub-totals</b>                                                                                                                       | <b>54</b>            | <b>27</b>    |                |                 |                        |                     |                        |                                                     |

| Internal Audit Operational Plan            | Revised Planned Days | Days to Date | Current Status | Audit Assurance | No. of Critical Issues | No. of Major Issues | No. of Moderate Issues | Comments                                  |
|--------------------------------------------|----------------------|--------------|----------------|-----------------|------------------------|---------------------|------------------------|-------------------------------------------|
| <b>Adult Services</b>                      |                      |              |                |                 |                        |                     |                        |                                           |
| Direct Care Costs & Placements             | 15                   | 12           | In progress    |                 |                        |                     |                        |                                           |
| Efficiency of Charging Processes           | 20                   | 0            | Not started    |                 |                        |                     |                        | Programmed for Mar 13                     |
| <b>Sub-totals</b>                          | <b>35</b>            | <b>12</b>    |                |                 |                        |                     |                        |                                           |
| <b>Business Planning &amp; Performance</b> |                      |              |                |                 |                        |                     |                        |                                           |
| Equalities                                 | 15                   | 0            | Not started    |                 |                        |                     |                        | Programmed for Jan 13                     |
| <b>Sub-totals</b>                          | <b>15</b>            | <b>0</b>     |                |                 |                        |                     |                        |                                           |
| <b>Children's Services</b>                 |                      |              |                |                 |                        |                     |                        |                                           |
| Out of County Placements                   | 10                   | 0            | Not started    |                 |                        |                     |                        | Programmed for Feb 13                     |
| Fostering Service                          | 15                   | 0            | Not started    |                 |                        |                     |                        | Programmed for Feb 13                     |
| Youth Offending Team                       | 12                   | 0            | Not started    |                 |                        |                     |                        | Programmed for Mar 13                     |
| Lone Working Practices                     | 5                    | 5            | Complete       |                 |                        |                     |                        | Staff survey only                         |
| <b>Sub-totals</b>                          | <b>42</b>            | <b>5</b>     |                |                 |                        |                     |                        |                                           |
| <b>Customers &amp; Education Support</b>   |                      |              |                |                 |                        |                     |                        |                                           |
| Cashiers Services                          | 5                    | 1            | In progress    |                 |                        |                     |                        |                                           |
| Modernising Education                      | 10                   | 0            | Not started    |                 |                        |                     |                        | Programmed for Feb 13                     |
| <b>Sub-totals</b>                          | <b>15</b>            | <b>1</b>     |                |                 |                        |                     |                        |                                           |
| <b>Education Services</b>                  |                      |              |                |                 |                        |                     |                        |                                           |
| School Improvement                         |                      |              |                |                 |                        |                     |                        |                                           |
| - School Balances                          | 30                   | 5            | Complete       |                 |                        |                     |                        | Report for Performance Scrutiny Committee |
| - Travel costs                             |                      | 10           | In progress    |                 |                        |                     |                        |                                           |
| Rhyl High School                           | 15                   | 15           | Complete       | Yellow          | 0                      | 0                   | 4                      |                                           |
| <b>Sub-totals</b>                          | <b>45</b>            | <b>30</b>    |                |                 |                        |                     |                        |                                           |

| Internal Audit Operational Plan            | Revised Planned Days | Days to Date | Current Status | Audit Assurance | No. of Critical Issues | No. of Major Issues | No. of Moderate Issues | Comments                      |
|--------------------------------------------|----------------------|--------------|----------------|-----------------|------------------------|---------------------|------------------------|-------------------------------|
| <b>Environment</b>                         |                      |              |                |                 |                        |                     |                        |                               |
| Trade Refuse                               | 26                   | 26           | Draft report   |                 |                        |                     |                        |                               |
| Sign Shop                                  | 20                   | 0            | Not started    |                 |                        |                     |                        | To be programmed              |
| Countryside Services                       | 25                   | 0            | Not started    |                 |                        |                     |                        | Programmed for Feb 13         |
| Public Realm                               | 45                   | 43           | Complete       | Yellow          | 0                      | 2                   | 12                     |                               |
| Corporate Health & Safety                  | 10                   | 10           | Draft report   |                 |                        |                     |                        |                               |
| <b>Sub-totals</b>                          | <b>126</b>           | <b>79</b>    |                |                 |                        |                     |                        |                               |
| <b>Finance &amp; Assets</b>                |                      |              |                |                 |                        |                     |                        |                               |
| Travel & Subsistence                       | 25                   | 25           | Complete       |                 |                        |                     |                        |                               |
| Property Management                        | 20                   | 0            | Not started    |                 |                        |                     |                        | Programmed for Mar 13         |
| <b>Sub-totals</b>                          | <b>45</b>            | <b>25</b>    |                |                 |                        |                     |                        |                               |
| <b>Highways &amp; Infrastructure</b>       |                      |              |                |                 |                        |                     |                        |                               |
| Business Continuity Planning               | 2                    | 2            | Complete       | Amber           | 0                      | 1                   | 0                      |                               |
| Winter Maintenance                         | 20                   | 8            | In progress    |                 |                        |                     |                        |                               |
| Flood Risk Management                      | 10                   | 0            | Not started    |                 |                        |                     |                        | Programmed for Mar 13         |
| Major Projects                             | 2                    | 2            | Complete       |                 |                        |                     |                        | Completion of 2011/12 project |
| Home to School Transport                   | 21                   | 21           | Complete       | Yellow          | 1                      | 2                   | 10                     |                               |
| <b>Sub-totals</b>                          | <b>55</b>            | <b>33</b>    |                |                 |                        |                     |                        |                               |
| <b>Housing &amp; Community Development</b> |                      |              |                |                 |                        |                     |                        |                               |
| Housing Services                           | 20                   | 0            | Not started    |                 |                        |                     |                        | Programmed for Jan 13         |
| Strategic Regeneration                     | 25                   | 2            | In progress    |                 |                        |                     |                        |                               |
| Housing Maintenance                        | 21                   | 20           | Draft report   |                 |                        |                     |                        |                               |
| <b>Sub-totals</b>                          | <b>66</b>            | <b>22</b>    |                |                 |                        |                     |                        |                               |



| Internal Audit Operational Plan                                   | Revised Planned Days | Days to Date | Current Status   | Audit Assurance | No. of Critical Issues | No. of Major Issues | No. of Moderate Issues | Comments                                                      |
|-------------------------------------------------------------------|----------------------|--------------|------------------|-----------------|------------------------|---------------------|------------------------|---------------------------------------------------------------|
| <b>Legal &amp; Democratic Services</b>                            |                      |              |                  |                 |                        |                     |                        |                                                               |
| Democratic Services                                               | 3                    | 0            | To be programmed |                 |                        |                     |                        | Scope reduced to look at Whistleblowing 7 Anti-Fraud policies |
| Translation Service                                               | 11                   | 11           | Complete         | Yellow          | 0                      | 1                   | 1                      | Project arising from Service Challenge                        |
| <b>Sub-totals</b>                                                 | <b>14</b>            | <b>11</b>    |                  |                 |                        |                     |                        |                                                               |
| <b>Communication, Marketing &amp; Leisure</b>                     |                      |              |                  |                 |                        |                     |                        |                                                               |
| Leisure Services                                                  | 1                    | 0            | Not started      |                 |                        |                     |                        | Programmed for Jan 13                                         |
| Community Buildings - Rhyl Town Hall                              | 6                    | 6            | Complete         | Yellow          | 0                      | 0                   | 10                     |                                                               |
| Pavilion Theatre, Rhyl                                            | 47                   | 47           | Draft report     |                 |                        |                     |                        |                                                               |
| Leisure Centres                                                   | 1                    | 0            | Not started      |                 |                        |                     |                        | Programmed for Jan 13                                         |
| Integrated Children's Centres                                     | 15                   | 2            | Preparation      |                 |                        |                     |                        |                                                               |
| <b>Sub-totals</b>                                                 | <b>70</b>            | <b>55</b>    |                  |                 |                        |                     |                        |                                                               |
| <b>Planning &amp; Public Protection</b>                           |                      |              |                  |                 |                        |                     |                        |                                                               |
| Contingency for input to Public Protection service reorganisation | 10                   | 0            | As requested     |                 |                        |                     |                        |                                                               |
| <b>Sub-totals</b>                                                 | <b>10</b>            | <b>0</b>     |                  |                 |                        |                     |                        |                                                               |
| <b>Strategic Human Resources</b>                                  |                      |              |                  |                 |                        |                     |                        |                                                               |
| Strategic HR                                                      | 19                   | 19           | Complete         | Amber           | 0                      | 1                   | 10                     |                                                               |
| <b>Sub-totals</b>                                                 | <b>19</b>            | <b>19</b>    |                  |                 |                        |                     |                        |                                                               |
| <b>ICT &amp; Business Transformation</b>                          |                      |              |                  |                 |                        |                     |                        |                                                               |
| IT Service Desk, Incident & Problem Management                    | 20                   | 0            | Not started      |                 |                        |                     |                        | Programmed for Feb 13                                         |
| IT Service Continuity Management                                  | 1                    | 1            | Complete         |                 |                        |                     |                        |                                                               |
| IT Operations Management                                          | 22                   | 21           | Complete         | Yellow          | 0                      | 1                   | 7                      |                                                               |

| Internal Audit Operational Plan                | Revised Planned Days | Days to Date | Current Status | Audit Assurance | No. of Critical Issues | No. of Major Issues | No. of Moderate Issues | Comments |
|------------------------------------------------|----------------------|--------------|----------------|-----------------|------------------------|---------------------|------------------------|----------|
| IT Project Management                          | 20                   | 20           | Draft report   |                 |                        |                     |                        |          |
| <b>Sub-totals</b>                              | <b>63</b>            | <b>42</b>    |                |                 |                        |                     |                        |          |
| <b>Corporate Areas of Work</b>                 |                      |              |                |                 |                        |                     |                        |          |
| Data Protection & FOI                          | 35                   | 34           | Complete       | Amber           | 0                      | 4                   | 3                      |          |
| Relief, Casual & Agency Staff                  | 15                   | 14           | In progress    |                 |                        |                     |                        |          |
| Consultant payments                            | 10                   | 7            | In progress    |                 |                        |                     |                        |          |
| <b>Sub-totals</b>                              | <b>60</b>            | <b>55</b>    |                |                 |                        |                     |                        |          |
| <b>External Contract Work</b>                  |                      |              |                |                 |                        |                     |                        |          |
| Countryside Council for Wales                  | 165                  | 153          | In progress    |                 |                        |                     |                        |          |
| North Wales Police Authority                   | 210                  | 157          | In progress    |                 |                        |                     |                        |          |
| School Fund Audits                             | 35                   | 37           | In progress    |                 |                        |                     |                        |          |
| <b>Sub-totals</b>                              | <b>410</b>           | <b>347</b>   |                |                 |                        |                     |                        |          |
| <b>Other Areas of Work &amp; Contingencies</b> |                      |              |                |                 |                        |                     |                        |          |
| Consultancy & Corporate Work                   | 140                  | 87           | In progress    |                 |                        |                     |                        |          |
| Follow up reviews                              | 50                   | 35           | In progress    |                 |                        |                     |                        |          |
| IA collaboration                               | 20                   | 13           | In progress    |                 |                        |                     |                        |          |
| Frauds & Investigations                        |                      | 7            |                |                 |                        |                     |                        |          |
| -National Fraud Initiative                     | 50                   | 10           | In progress    |                 |                        |                     |                        |          |
| -Purchasing Cards                              |                      | 2            | Complete       |                 |                        |                     |                        |          |
| -Ysgol Clawdd Offa                             |                      | 8            | Complete       |                 |                        |                     |                        |          |
| Corporate Priorities & Efficiencies Work       | 25                   | 21           | In progress    |                 |                        |                     |                        |          |
| <b>Sub-totals</b>                              | <b>285</b>           | <b>183</b>   |                |                 |                        |                     |                        |          |

| Internal Audit Operational Plan | Revised Planned Days | Days to Date | Current Status | Audit Assurance | No. of Critical Issues | No. of Major Issues | No. of Moderate Issues | Comments |
|---------------------------------|----------------------|--------------|----------------|-----------------|------------------------|---------------------|------------------------|----------|
| IA Support                      |                      |              |                |                 |                        |                     |                        |          |
| Management & Admin              | 380                  | 277          |                |                 |                        |                     |                        |          |
| Training                        | 90                   | 111          |                |                 |                        |                     |                        |          |
| <b>Sub-totals</b>               | <b>470</b>           | <b>388</b>   |                |                 |                        |                     |                        |          |
| <b>Grand Totals</b>             | <b>2146</b>          | <b>1486</b>  |                |                 |                        |                     |                        |          |

Mae tudalen hwn yn fwriadol wag

**Adroddiad ar gyfer:** Y Pwyllgor Llywodraethu Corfforaethol

**Dyddiad y Cyfarfod:** Ionawr 9, 2013

**Awdur yr Adroddiad:** Pennaeth y Gwasanaethau Archwilio Mewnol

**Teitl:** Cynllun Gweithredu Fframwaith Llywodraethu Corfforaethol

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## 1. Beth mae'r adroddiad yn ymwneud ag o?

Mae'r adroddiad hwn yn darparu'r Pwyllgor â'r cynllun gweithredu diweddaraf a diweddariad ar gynnydd o ganlyniad i'r adolygiad o fframwaith llywodraethu'r Cyngor a Datganiad Llywodraethu Blynyddol 2011/12.

## 2. Beth yw'r rheswm am wneud yr adroddiad yma?

Bydd y Pwyllgor Llywodraethu Corfforaethol yn monitro Cynllun Gweithredu'r Fframwaith Llywodraethu Corfforaethol yn rheolaidd yn rhan o drefniadau llywodraethu cyffredinol y Cyngor.

## 3. Beth yw'r Argymhellion?

- Bod y Pwyllgor yn ystyried cynnydd gyda rheoli'r gweithrediadau yng Nghynllun Gweithredu'r Fframwaith Llywodraethu Corfforaethol ac yn rhoi sylwadau.
- Bod y Pwyllgor yn ystyried a oes angen adroddiadau ychwanegol neu dystiolaeth o gynnydd.

## 4. Cefndir

1. Mae Fframwaith Llywodraethu Corfforaethol y Cyngor yn cynnwys asesiad blynyddol o drefniadau llywodraethu'r Cyngor a'r Datganiad Llywodraethu Blynyddol sy'n amlygu unrhyw wendidau llywodraethu arwyddocaol. Mae'r Fframwaith hefyd yn amlygu meysydd pellach sy'n dal i fod angen eu gwella er nad ydyn nhw'n wendidau arwyddocaol.

4.1. Mae gennym ni 'Grŵp Llywodraethu' i reoli proses y Fframwaith Llywodraethu Corfforaethol a datblygiad y Datganiad Llywodraethu Blynyddol yn barhaus yn ystod y flwyddyn ariannol. Mae'r Grŵp hwn yn cynnwys:

- Cadeirydd y Pwyllgor Llywodraethu Corfforaethol
- Is-gadeirydd y Pwyllgor Llywodraethu Corfforaethol
- Pennaeth y Gwasanaethau Cyfreithiol a Democrataidd
- Pennaeth Cynllunio Busnes a Pherfformiad
- Pennaeth Cyllid ac Asedau
- Pennaeth Archwilio Mewnol

4.2. Mae'r Grŵp wedi datblygu cynllun gweithredu (Atodiad 1) yn dilyn yr adolygiad diweddaraf o drefniadau llywodraethu. Mae'r cynllun gweithredu'n hyblyg ac efallai y bydd angen ychwanegu ato wrth i faterion godi yn ystod y

flwyddyn gan mai ein bwriad ydi monitro trefniadau llywodraethu drwy gydol y flwyddyn yn hytrach na phroses unigryw ar ddiwedd y flwyddyn.



Mae tudalen hwn yn fwriadol wag



## Appendix 1 - Corporate Governance Framework Action Plan

| Action Required                                                                                                             | Rationale/Purpose                                                                                                                                                                                              | Responsibility                          | Timescale    | Progress                                                                                                                                                                                                                                                                                                                                                      |
|-----------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|--------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                             |                                                                                                                                                                                                                |                                         | <b>Key</b>   | <div style="display: flex; justify-content: space-between; width: 100%;"> <span style="width: 20%;">Green – complete</span> <span style="width: 20%;">Amber – in progress</span> <span style="width: 20%;">Red - Outstanding</span> </div>                                                                                                                    |
| Finalise & publish the Corporate Plan 2012-17                                                                               | <ul style="list-style-type: none"> <li>Exercise strategic leadership by developing and clearly communicating our Corporate Plan and its intended improvement outcomes</li> </ul>                               | Head of Business Planning & Performance | N/A          | Council approved 9 October 2012 and published on the same day                                                                                                                                                                                                                                                                                                 |
| Finalise & implement new target setting approach to encourage consistency and provide clearer definitions of our RAG system | <ul style="list-style-type: none"> <li>Ensure that arrangements are in place at service level to manage performance that is of corporate importance to the Council as set out in the Corporate Plan</li> </ul> | Head of Business Planning & Performance | N/A          | Reported to SLT 5 July 2012                                                                                                                                                                                                                                                                                                                                   |
| Develop a more strategic approach to the efficiency programme                                                               | <ul style="list-style-type: none"> <li>Develop tools to deliver a high performance culture delivering value for money</li> </ul>                                                                               | Head of Finance & Assets                | To be agreed | Workshops have taken place with elected members to raise awareness of the requirement to change. A Corporate Director is undertaking a review of the current service challenge process and, once the current budget process is concluded, work will commence on reviewing a number of identified options.                                                     |
| Continue to update & develop the Constitution in line with the Local Government (Wales) Measure 2011                        | <ul style="list-style-type: none"> <li>Having clear responsibilities and arrangements for accountability</li> </ul>                                                                                            | Head of Legal & Democratic Services     | N/A          | Compulsory elements of Measure incorporated into Constitution. Draft guidance for consultation regarding Joint Overview and Scrutiny Committees and Annual Reports by Members been to Democratic Services Committee for comment in December 2012. Further amendments to Constitution may be required following publication of final guidance and regulations. |
| Clarify the role that the Council will play in helping to deliver the Compact                                               | <ul style="list-style-type: none"> <li>Ensure that relationships between the Council and its partners are clear, so that each knows what to expect of the other</li> </ul>                                     | To be agreed                            | To be agreed |                                                                                                                                                                                                                                                                                                                                                               |

| Action Required                                                                                  | Rationale/Purpose                                                                                                                                                                                                                                                                                                                                                         | Responsibility                           | Timescale                                | Progress                                                                                                                                                                                                                                                            |
|--------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------|------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Finalise & issue Partnership Governance Framework                                                | <ul style="list-style-type: none"> <li>Ensure that relationships between the Council and its partners are clear, so that each knows what to expect of the other.</li> <li>Ensure that an effective risk management system is in place</li> <li>Ensure that scrutinising arrangements are in place to scrutinise the effectiveness of partnership relationships</li> </ul> | Head of Business Planning & Performance  | N/A                                      | Partnership Governance Toolkit on Intranet & sent to all Heads of Service.                                                                                                                                                                                          |
| Implement recommendations arising from WAO's review of collaboration arrangements                | <ul style="list-style-type: none"> <li>Ensure that relationships between the Council and its partners are clear, so that each knows what to expect of the other</li> </ul>                                                                                                                                                                                                | To be agreed                             | To be agreed                             | Awaiting report                                                                                                                                                                                                                                                     |
| Develop & implement a robust process for deciding on and approving Part II reports to committees | <ul style="list-style-type: none"> <li>Be rigorous and transparent about how decisions are taken</li> </ul>                                                                                                                                                                                                                                                               | Head of Legal & Democratic Services      | N/A                                      | SLT has been consulted on the principle and final checklist forms will be issued in January 2013.                                                                                                                                                                   |
| Internal Audit reviews of specific governance areas                                              | <ul style="list-style-type: none"> <li>Ensure that arrangements are in place for the strategic overview of the Councils governance arrangements</li> </ul>                                                                                                                                                                                                                | Head of Internal Audit Services          | 31/03/13                                 | <ul style="list-style-type: none"> <li>Review of Performance Management complete.</li> <li>Review of Risk Management programmed for early 2013</li> <li>Setting up new Assurance Framework to identify clearly where the Council gets its assurance from</li> </ul> |
| Implements actions arising from the above Internal Audit reviews                                 | <ul style="list-style-type: none"> <li>Ensure service improvement</li> </ul>                                                                                                                                                                                                                                                                                              | As per Internal Audit report action plan | As per Internal Audit report action plan | Action Plan in place for Performance Management review. IA follow up planned.                                                                                                                                                                                       |
| Implement recommendations arising from WAO's review of Scrutiny arrangements                     | <ul style="list-style-type: none"> <li>Be rigorous and transparent about how decisions are taken. Listen and act on the outcome of constructive scrutiny</li> </ul>                                                                                                                                                                                                       | To be agreed                             | To be agreed                             | Awaiting report                                                                                                                                                                                                                                                     |

| Action Required                                                                                                                                                            | Rationale/Purpose                                                                                                                                                                           | Responsibility                                               | Timescale | Progress                                                                                                                                                                                                              |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|--------------------------------------------------------------|-----------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Review & relaunch Whistleblowing Policy & Anti-Fraud & Corruption Policy                                                                                                   | <ul style="list-style-type: none"> <li>Evidence of openness &amp; transparency</li> </ul>                                                                                                   | Head of Legal & Democratic Services                          | 31/03/13  | Work not yet started. To be commenced in January 2013.                                                                                                                                                                |
| Embed risk management through the ownership and management of risk as part of the decision-making processes, both at officer & elected member level throughout the Council | <ul style="list-style-type: none"> <li>Ensure that an effective risk management system is in place</li> </ul>                                                                               | Corporate Improvement Manager                                | N/A       | The new risk management system is in place and operational. Service and Corporate Risk Registers are reviewed at least twice annually. IA review in 2013 will also assess level to which risk management is embedded. |
| Revise & update Financial Regulations                                                                                                                                      | <ul style="list-style-type: none"> <li>Embed compliance with laws &amp; regulations placed on the Council at service level</li> </ul>                                                       | Chief Accountant                                             | 31/03/13  | No progress to date                                                                                                                                                                                                   |
| Revise & Update Contract Procedure Rule                                                                                                                                    | <ul style="list-style-type: none"> <li>Embed compliance with laws &amp; regulations placed on the Council at service level</li> </ul>                                                       | Strategic Procurement Manager                                | 31/03/13  | Work in progress                                                                                                                                                                                                      |
| Improve quality & completion rates of employee appraisals                                                                                                                  | <ul style="list-style-type: none"> <li>Make sure that elected members and officers have the skills, knowledge, experience and resources they need to perform well in their roles</li> </ul> | Head of Strategic HR / Head of Customers & Education Support | 31/03/13  | Report to SLT September 2012. Appraisal rates had reduced in 2011/12 compared to 2010/11. Appraisal reports now part of employee relation reports to Heads of Service & also part of service challenge process.       |
| Develop & implement proposals for improving the flexibility of the workforce to enable us to utilise members of staff in the areas of greatest need                        | <ul style="list-style-type: none"> <li>Make sure that elected members and officers have the skills, knowledge, experience and resources they need to perform well in their roles</li> </ul> | Head of Strategic HR                                         | 31/03/17  | Part of Modernising Programme.<br>Programme delivery group & programme managers appointed.                                                                                                                            |

| Action Required                                                      | Rationale/Purpose                                                                                                                                                                                                                                                                                                                                                                                                           | Responsibility                            | Timescale | Progress                                                                                                                                                                                                                                                                                                                                                                                         |
|----------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------|-----------|--------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Develop & implement an elected member training needs assessment      | <ul style="list-style-type: none"> <li>• Make sure that elected members have the skills, knowledge, experience and resources they need to perform well in their roles</li> <li>• Develop the capability of people with governance responsibilities and evaluate their performance as individuals and as a group</li> </ul>                                                                                                  | Lead Member for Modernising & Performance | On-going  | Training Plan for 2012/13 formulated for the new Council in May 2012, following a detailed process involving key members & officers. The Plan includes training sessions up until the end of March 2013. A detailed Questionnaire was sent to members at the end of the summer, which captured information which will be used to help formulate the training plan for year 2 of the new Council. |
| Develop & implement an elected member performance management process | <ul style="list-style-type: none"> <li>• Make sure that elected members and officers have the skills, knowledge, experience and resources they need to perform well in their roles</li> <li>• Develop the capability of people with governance responsibilities and evaluate their performance as individuals and as a group</li> </ul>                                                                                     | Lead Member for Modernising & Performance | On-going  | Paper going to informal Council in February 2013, which will fully explore and discuss all member training matters, and which will assist members to fully engage in the performance management process.                                                                                                                                                                                         |
| Finalise & implement the Community Engagement Strategy               | <ul style="list-style-type: none"> <li>• Become an outward looking Council, proactively seeking contributions from other public sector agencies, the private / voluntary and community groups to assist the county and the Council</li> <li>• Establish a consultation framework for the way that the Council engages and consults with stakeholders and the public and ensures clear channels of communication.</li> </ul> | Head of Business Planning & Performance   | 31/01/13  | The Community Engagement Strategy is in final draft form and will be launched Jan 2013                                                                                                                                                                                                                                                                                                           |

| Action Required                                                                                                                                                       | Rationale/Purpose                                                                                                                                                                                                                                          | Responsibility                          | Timescale                                                 | Progress                                                                                                                                                                                                                        |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------|-----------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Develop & implement an action plan to address outstanding issues relating to information governance                                                                   | <ul style="list-style-type: none"> <li>Ensure that the right information is available in the right format, which encourages knowledge to be created, shared, learned, enhanced &amp; organised for the benefit of the Council and the community</li> </ul> | Head of Business Planning & Performance | Various                                                   | Action to develop enhanced information management capacity agreed. New team in place April 2013. Action plan in place for 2012/13                                                                                               |
| Internal Audit review in 2012-13 of Data Protection Act and Freedom of Information to provide a more detailed review of these two key areas of information management | <ul style="list-style-type: none"> <li>Ensure that policies are in place to govern the management and secure handling, storage, disposal and sharing of information assets</li> </ul>                                                                      | Head of Internal Audit Services         | 30/09/12                                                  | <ul style="list-style-type: none"> <li>Draft report issued 24/08/12</li> <li>Escalation meeting with Directors &amp; Lead Members 07/11/12</li> <li>Final report issued 09/11/12</li> <li>Follow up due Jan/Feb 2013</li> </ul> |
| Develop a more consistent approach to the use of information to support strategic planning and decision-making.                                                       | <ul style="list-style-type: none"> <li>Ensure that the right information is available in the right format, which encourages knowledge to be created, shared, learned, enhanced &amp; organised for the benefit of the Council and the community</li> </ul> | Head of Business Planning & Performance | 31 July 2012 (for completion of initial scoping exercise) | Scoping report complete and output agreed. New Management Information function will be operational by Jan 2013                                                                                                                  |

| Action Required                                                                                 | Rationale/Purpose                                                                                                                                                                                                                                                                                                                                                                                                                                                                                                       | Responsibility          | Timescale           | Progress            |
|-------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------|---------------------|---------------------|
| <p>Implement recommendations arising from WAO review of Annual Governance Statement 2011/12</p> | <ul style="list-style-type: none"> <li>• Good governance is about how the Council ensures that it is doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable way. It comprises the Council's systems, processes, cultures and values, through which we account to, engage with and, where appropriate, lead our communities. It enables us to monitor whether those objectives have led to the delivery of appropriate, cost-effective services</li> </ul> | <p>Governance Group</p> | <p>To be agreed</p> | <p>Await report</p> |

## PWYLLGOR LLYWODRAETHU CORFFORAETHOL: BLAENRAGLEN WAITH

| DYDDIAD<br>CYFARFOD | Y | ADRODDIAD                                                                                                                                                                                                                                                                                                                                                                                                 | AWDUR                                                                                                                                                                                                                                                                                                           |
|---------------------|---|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 27 Chwefror 2013    |   | <p><b>Eitemau Sefydlog</b></p> <p>Materion a Gyfeiriwyd gan Bwyllgorau Craffu<br/>Adroddiadau Rheoleiddiol Allanol a Dderbyniwyd yn Ddiweddar<br/>Adroddiad ar Gynnydd Archwilio Mewnol</p> <p><b>Adroddiadau</b></p> <p>Strategaeth Archwilio Mewnol 2013/14<br/>Strategaeth Rheoli'r Trysorlys<br/>Llythyr Gwella Swyddfa Archwilio Cymru<br/>Swyddogaeth Pencampwyr</p> <p>Materion Cyfansoddiadol</p> | <p>Cydlynnydd Craffu<br/>Rheolwr Gwelliant Corfforaethol<br/>Pennaeth Archwilio Mewnol</p> <p>Pennaeth Archwilio Mewnol<br/>Pennaeth Cyllid ac Asedau<br/>Rheolwr Gwelliant Corfforaethol<br/>Pennaeth Gwasanaethau Cyfreithiol a<br/>Democrataidd<br/>Pennaeth Gwasanaethau Cyfreithiol a<br/>Democrataidd</p> |
| 10 Ebrill 2013      |   | <p><b>Eitemau Sefydlog</b></p> <p>Materion a Gyfeiriwyd gan Bwyllgorau Craffu<br/>Adroddiadau Rheoleiddiol Allanol a Dderbyniwyd yn Ddiweddar<br/>Adroddiad ar Gynnydd Archwilio Mewnol</p> <p><b>Adroddiadau</b></p> <p>Adroddiad Blynyddol Archwilio Mewnol 2012/13<br/>Adolygiad o'r Cyfansoddiad</p>                                                                                                  | <p>Cydlynnydd Craffu<br/>Rheolwr Gwelliant Corfforaethol<br/>Pennaeth Archwilio Mewnol</p> <p>Pennaeth Archwilio Mewnol<br/>Pennaeth Gwasanaethau Cyfreithiol a</p>                                                                                                                                             |

|                                                                                                                                                                                                                                                                                                 |                                                                                                                                             |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------|
|                                                                                                                                                                                                                                                                                                 | Democrataidd                                                                                                                                |
| <p>22 Mai 2013</p> <p><b>Eitemau Sefydlog</b></p> <p>Materion a Gyfeiriwyd gan Bwyllgorau Craffu<br/>Adroddiadau Rheoleiddiol Allanol a Dderbyniwyd yn Ddiweddar<br/>Adroddiad ar Gynnydd Archwilio Mewnol</p> <p><b>Adroddiadau</b></p> <p>Datganiad Llywodraethu Blynyddol Drafft 2012/13</p> | <p>Cydlynedd Craffu<br/>Rheolwr Gwelliant Corfforaethol<br/>Pennaeth Gwasanaethau Archwilio<br/>Mewnol</p> <p>Pennaeth Archwilio Mewnol</p> |

NB Nid yw union ddyddiad cyhoeddiad adroddiadau achlysurol gan, er enghraifft, Swyddfa Archwilio Cymru neu Adroddiadau Blynyddol gan yr Ombwdsmon, yn hysbys ar hyn o bryd. Fe neilltuir dyddiad cyfarfod iddyn nhw gyn gynted ag y bydd hynny'n ymarferol.

**Diweddarwyd 20/12/2012 KEJ**