

To: Members of the Corporate
Governance Committee

Date: 9 December 2014

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Dear Councillor

You are invited to attend a meeting of the **CORPORATE GOVERNANCE COMMITTEE** to be held at **9.30 am** on **WEDNESDAY, 17 DECEMBER 2014** in **CONFERENCE ROOM 1A, COUNTY HALL, RUTHIN.**

Yours sincerely

G. Williams
Head of Legal and Democratic Services

AGENDA

1 APOLOGIES

2 DECLARATION OF INTERESTS (Pages 5 - 6)

Members to declare any personal or prejudicial interests in any business identified to be considered at this meeting.

3 URGENT MATTERS

Notice of items, 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 (Pages 7 - 22)

To receive the minutes of the Corporate Governance Committee meeting held on the 5th November, 2014.

5 BUDGET PROCESS 2015/16 (Pages 23 - 38)

To consider a report by the Head of Finance and Assets, which provides an update on the process to deliver the revenue budget for 2015/16. (copy enclosed).

6 WAO - REVIEW OF FINANCIAL PLANNING (Pages 39 - 54)

To receive a report from the Head of Finance and Assets (copy enclosed) on the final report of the Wales Audit Office on Denbighshire's financial planning and management.

7 PROCUREMENT OF CONSTRUCTION SERVICES - UPDATE (Pages 55 - 74)

To consider a report by the Head of Internal Audit (copy enclosed) on Internal Audit's follow up work of Procurement of Construction Services.

8 GOVERNANCE IMPROVEMENT PLAN (Pages 75 - 84)

To consider a report by the Head of Internal Audit (copy enclosed) which provides an update on the Council's Governance Improvement Plan arising from the Council's 2013/14 'Annual Governance Statement' - 'Delivering good governance and continuous improvement'.

9 FINANCIAL PAYMENT TO CARE LEAVERS - UPDATE (Pages 85 - 92)

To receive a verbal update report on the progress with the Action Plan included in the Internal Audit report on Financial Payments to Care Leavers. (A copy of the report presented to the Committee on the 5th November, 2014 has been enclosed).

10 FEEDBACK ON CORPORATE EQUALITY MEETING

To receive a verbal report from Councillor M.L. Holland on the Corporate Equalities meeting.

11 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME (Pages 93 - 96)

To consider the Committee's forward work programme (copy enclosed).

MEMBERSHIP

Councillors

Joan Butterfield
Stuart Davies
Peter Duffy

Martyn Holland
Gwyneth Kensler
Jason McLellan

Lay Member

Paul Whitham

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All Councillors for information
Press and Libraries
Town and Community Councils

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DEDDF LLYWODRAETH LEOL 2000

Cod Ymddygiad Aelodau

DATGELU A CHOFRESTRU BUDDIANNAU

Rwyf i,
(enw)

*Aelod /Aelod cyfetholedig o
(*dileuer un)

Cyngor Sir Ddinbych

YN CADARNHAU fy mod wedi datgan buddiant ***personol / personol a sy'n rhagfarnu** nas datgelwyd eisoes yn ôl darpariaeth Rhan III cod ymddygiad y Cyngor Sir i Aelodau am y canlynol:-
(*dileuer un)

Dyddiad Datgelu:

Pwyllgor (nodwch):

Agenda eitem

Pwnc:

Natur y Buddiant:

Llofnod

Dyddiad

Code of Conduct for Members

DISCLOSURE AND REGISTRATION OF INTERESTS

I, *(name)*

a *member/co-opted member of

*(*please delete as appropriate)*

Denbighshire County Council

CONFIRM that I have declared a ***personal / personal and prejudicial** interest not previously declared in accordance with the provisions of Part III of the Council's Code of Conduct for Members, in respect of the following:-

*(*please delete as appropriate)*

Date of Disclosure:

Committee *(please specify)*:

Agenda Item No.

Subject Matter:

Nature of Interest:

Signed

Date

CORPORATE GOVERNANCE COMMITTEE

Minutes of a meeting of the Corporate Governance Committee held in Conference Room 1A, County Hall, Ruthin on Wednesday, 5 November 2014 at 9.30 am.

PRESENT

Councillors Joan Butterfield, Martyn Holland, Gwyneth Kensler (Vice-Chair), Jason McLellan (Chair) and Mr P. Whitham (Lay Member).
Councillors J. Thompson-Hill and B.A. Smith attended as observers.

ALSO PRESENT

Head of Legal, HR and Democratic Services (GW), Head of Internal Audit (IB), Head of Customers and Education Support (JW), Chief Accountant (RW), Acting Strategic Procurement Officer (SA), Corporate Improvement Officer (NK), Corporate Complaints Officer (COG), Wales Audit Office Representatives (GB) and Committee Administrator (CIW).

1 APOLOGIES

Councillors S.A. Davies and H.C Irving.

2 DECLARATIONS OF INTEREST

Agenda Item 6: Corporate Risk Register Review – A personal interest was declared by Councillor M.L. Holland. The reason for the declaration was that he was a Director of the Denbighshire Enterprise Agency.

3 URGENT MATTERS

In accordance with the requirements of Section 100B(4) of the Local Government Act 1972, the Chair declared that he intended to include for discussion the following matter requiring urgent attention under Part II:-

(i) Information Reports:-

(a) Progress on the Annual Internal Audit Assurance Plan 2014/15 – In response to a question from Mr P. Whitham regarding the self-assessment undertaken by Internal Audit, the HIA agreed that the Action Plan arising from the assessment in respect of improving the service could be presented to the January, 2015 meeting of the Committee.

(IB to Action)

(b) Report on the Food and Feed Law Enforcement Service - In response to concerns raised by Mr P. Whitham regarding the timescale for the distribution of the document, and the possible need to raise the profile of the report, the HIA explained that the presentation of the report was part of a process to address any outstanding External Regulatory Reports.

(ii) Invitation to Good Governance Course

The HLHDS informed the Committee that he would circulate an invitation, received from the Welsh Audit Office, for nominations for five representatives to attend a Good Governance Course, being held at Llanrwst on the 11th December, 2014.

(GW to Action)

4 MINUTES

(a) The Minutes of a meeting of the Corporate Governance Committee held on 3rd September, 2014.

Matters arising:-

6. Corporate Governance Committee Annual Report – Members were informed that the Corporate Governance Committee Annual Report would be included on the Council Forward Work Programme for its meeting on the 3rd February, 2015.

(JM (Chair) & GW to Action)

5. Blessed Edward Jones RC High School Update – In reply to a question from the Chair regarding the request that the Internal Audit report on the financial management of schools be presented to the Committee, the HIA confirmed that the report could be presented to the December, 2014 meeting of the Committee.

(IB to Action)

RESOLVED – *that the minutes be received and approved as a true and correct record.*

(b) The Minutes of a meeting of the Corporate Governance Committee held on 29th September, 2014.

Matters arising:-

6. Governance Improvement Plan – The HIA explained that the progress update in respect of the Procurement Strategy would be incorporated in the Construction and Services Update Report to be presented to the December, 2014 Committee meeting.

(IB to Action)

RESOLVED – *that the minutes be received and approved as a true and correct record.*

5 BUDGET PROCESS 2015/16

A report, and confidential Appendix, by the Head of Finance and Assets (HFA), which provided an update on the process to deliver the revenue budget for 2015/16, had been circulated previously.

The HFA introduced the report which provided an update on the process to deliver the revenue budget for 2015/16, which had moved into its second phase since the last update. Appendix 1 provided the illustration of the budget process, and a table of key events in the process had been included in the report

The first round of budget workshops had concluded on the 22nd September. The workshops had been well attended with wide ranging debate and numerous questions being asked. Members had been requested to express views as to whether saving proposals should be 'adopted', 'developed', or 'deferred'. In addition, Members had been taken through each service's budget and invited to comment on each one. Proposals which Members indicated they would be content to adopt were taken to County Council for approval on 9th September. The proposals taken to Council as Phase 1 savings totalled £3.7m for 15/16 and £870k for 16/17.

The Council's budget strategy had identified a budget gap of up to £18m over two years. This was primarily driven by indications that the Council's funding settlement would be cut by 4.5%. The Draft Local Government Settlement had been published on the 8th October, and the settlement had indicated that the cash reduction to the budget would be 3.7% which equated to £5.3m. With cost pressures the Council had to fund the budget gap for 2015/16 was now approximately £8.2m and estimated to be approximately £8.8m in 2016/17. The CA highlighted potential pressures which could arise as a result of adjustments, both in and out, which related to specific grant funding, particular reference was made to the impact surrounding the Regional Collaboration Fund for Social Care programme. At the request of the Chair, the CA agreed to provide details of the implications on the budget in respect of the grant funding pressures.

The second phase of the budget process had almost been completed. Members had identified proposals totalling £3.2m for 2015/16 and £1.8m for 2016/17 which would seek approval in December. If all the proposals taken to the final October workshop were recommended for approval then the totals would be £4.0m for 2015/16 and £2.1m for 2016/17 from Phase 2.

Phase 2 proposals would be presented to Cabinet and then to Council for approval in December. Phase 3 would consider final proposals to balance the 2015/16 budget, including options for Council Tax and any use of reserves. These issues would be discussed at the Member Workshop in December before final approval in February. Phase 3 of the process would also continue to develop savings options for 2016/17. Details of the consultation process adopted in respect of the budget cuts had been summarised in the report.

The Chair referred to the remit of the Committee to examine the budget setting process which he felt had been open and transparent; however he had been made aware of issues raised with regards to the Welfare Advice Services Review. He highlighted the implications for services users and the wider community, the risks identified in the July budget workshop regarding redundancies, and the Corporate Priority to improve the local economy.

Reference had been made to the review undertaken by various Groups, including third sector organisations. The Chair questioned the reason for only one of the models considered under the review having been presented to Members for deliberation. The CA outlined the process utilised and adopted for the consideration of options, and agreed to provide Members of the Committee with a copy of the Welfare Advice Services Review report. Members agreed that a review of the process utilised regarding the Welfare Advice Services Review be undertaken by the Committee, together with, the proposals pertaining to Rights of Way which had been highlighted by Councillor G.M. Kensler.

Mr P. Whitham felt that as the remit of the Committee included reviewing risks, and there would be an inherent risk emanating from the budget setting process, the opportunity could be taken to ensure that the process was robust and the information provided to Members to make decisions was appropriate.

The CA provided details of the risks arising from the implementation of decisions taken with regard to the budget setting process and cuts for 2015-16 and 2016-17. He confirmed that a mechanism was in place to revisit identified cuts, which included monthly reports to Cabinet, and this provided the opportunity to identify any non-achievement.

In reply to a request from Councillor G.M. Kensler, the CA agreed that a list of services scrutinised by the budget workshops, including dates, could be provided. He also explained that charges for green waste collection could be included in within the council tax bills of residents wishing to utilise the service.

The HLHDS outlined the purpose of the Freedoms & Flexibilities process, to challenge services regarding the way in which they delivered services, and to then present options to Members to assist with the budget decision making process. Members had also been provided with full information on service budgets in order that they could seek additional information or suggest alternative measures. He referred to the Budget Protocol which had been agreed by Council on the 4th November, 2014 which provided Members with the opportunity to examine alternative suggestions.

The Chair explained that he and Members of the Committee had concerns regarding some of the elements of the budget process in terms of the provision of information on various models of provision coming from freedoms and flexibilities. Members of the Committee agreed with the following suggestion submitted by the HLHDS that:-

In order to test and seek assurance on the transparency of the budget process the Committee seek further information on alternative options considered during the view of Welfare Rights, as a representative example. Members also agreed that the Rights of Way proposal be included.

At the request of the Chair, the CA agreed that information in respect of grants be provided.

RESOLVED – that Corporate Governance Committee:-

- (a) receives and notes the contents of the report.
- (b) seeks further information on alternative options considered during the view of Welfare Rights and Rights of way, as representative examples.
- (c) requests that the CA provides details of the implications on the budget in respect of the grant funding pressures, and
- (d) agrees that a list of services scrutinised by the budget workshops, including dates, could be provided.

(RW to Action)

6 CORPORATE RISK REGISTER REVIEW

A report by the Head of Business, Planning and Performance (HBPP), which sought consideration of the formally updated version of the Corporate Risk Register (CRR) agreed at Cabinet Briefing, had been circulated previously.

With the aid of a PowerPoint presentation, which detailed the VERTO system available to all Members on the Council's Intranet Web Site, the Corporate Improvement Officer (CIO) provided a detailed summary of the report.

The CRR enabled the Council to manage the likelihood and impact of risks that it faced by evaluating the effect of any current mitigating actions, and recording deadlines and responsibilities for further action which should enable tighter control. It had been developed and owned by CET and the revision process had been detailed in the report.

The Register was formally reviewed twice yearly by Cabinet and CET. Any significant new or escalating risks identified would be presented to CET, via Corporate Improvement Team. CET would then decide as to whether the risk should be included in the CRR.

Following each formal review of the Register the revised document would be presented to the Corporate Governance Committee. Actions identified to address corporate risks would be included in Service Plans, where appropriate, which would enable the Performance Scrutiny Committee to monitor progress. Any performance issues relating to the delivery of these activities should be highlighted as part of the Service Performance Challenge process.

The Council's Internal Audit (IA) function provided independent assurance on the effectiveness of the internal control procedures and mechanisms in place to mitigate risks across the Council. It also offered independent challenge to ensure the principles and requirements of managing risk were consistently adopted throughout the Council. IA Services also utilised information from the service and CRR to inform its forward work programme.

The CIO referred to Appendix 1 to the report which incorporated the main changes made to the Corporate Risk Register, along with any points of note. A summary of the following Actions was provided by the CIO:-

- Revision to DCC007: 'The risk that critical or confidential information is lost or disclosed'.
- New risk, DCC027: 'The risk that the decisions that are necessary to enable the delivery of a balanced budget are not taken or implemented quickly enough'.
- New risk, DCC029: 'Risk of successful challenge that we are illegally depriving people of their liberty'.

The CIO responded to questions from Members, and the following issues were highlighted:-

- DCC013: 'The risk of significant financial and reputational liabilities resulting from management of some Arm's Length organisations'. Councillor G.M. Kensler questioned the expected delivery date of March 2015 in view of the proposed budget cuts. The CIO confirmed that the risk identified related to the management of the organisations.
- DCC018: 'The risk that programme and project benefits are not fully realised'. The COI confirmed the action ensured that the projects implemented realised the benefits on which the Business Case had originally been agreed.
- DCC021: 'The risk that effective partnerships and interfaces between BCU Health Board and Denbighshire County Council (DCC) do not develop, leading to significant misalignment between the strategic and operational direction of BCUHB and DCC'. The CIO confirmed that the risk would be reviewed in March of April, 2015.
- DCC028: 'The risk that the services that we scale back have a greater negative impact than we anticipated'. It was explained that the mitigating risks would be submitted to the Committee following a six month period. In response to concerns expressed that the three identified red residual risks could be subject to regular reporting, the HIA provided details of the remit of Internal Audit in monitoring high residual risks.

The HLHDS provided details pertaining to the role and remit of the Corporate Governance Committee which was to ensure that there was a proper Risk Management process and procedure in place, and that the management of individual risks would be a performance scrutiny function. He confirmed that issues could be recommended by the Corporate Governance Committee for scrutinisation.

RESOLVED – *that Corporate Governance Committee:-*

- (a) *notes the deletions, additions and amendments to the Corporate Risk Register, and*
- (b) *requests that Members comments during the debate be noted accordingly.*

(GW & NK to Action)

The Chair informed the Committee that the remaining agenda items would be taken in the following order:- 9, 10, 11, 12, 7, 8, 13, 14, 15.

7 FINANCIAL PAYMENT TO CARE LEAVERS - UPDATE

A report by the Head of Internal Audit (HIA) (copy enclosed) which provided an update on progress with the action plan included in the Internal Audit (IA) report on Financial Payments to Care Leavers issued in March 2014.

A report had been issued by IA on Financial Payments to Care Leavers in March, 2014, which had included an Action Plan with four Moderate Issues that had 14 actions agreed to address the issues. On the 15th April, 2014, the Committee expressed some concerns that the current payment process was unsustainable and requested that the IA follow-up review be reported to the Committee once completed.

Appendix 1 provided a progress update on the Action Plan which indicated that only five actions had been completed, with a further three in progress. Six actions had not been addressed, including the main issue raised, Issue 1, which required a complete review of the process for making payments to care leavers. Following initial discussions, there had been no liaison between Social Services and Revenues and Benefits to discuss a corporate approach. Lack of progress on this key issue had also impacted on other issues within the Action Plan. A further Internal Audit follow up is scheduled for January, 2015.

The Chair concurred with the views expressed that the headline action, that a meeting had not been held between the Head of Revenues and Benefits and the Service Manager - Looked After Children, had a detrimental impact on some of the other identified actions. Concerns regarding the lack of progress in implementing the agreed actions, and failure to meet deadlines, were expressed by the Committee, particular reference was made to Action No. 1 not having been completed. He suggested that more background detail and context be provided from Social Services on the impact the lack of action was having on the service users. The HIA confirmed that the current process utilised had been identified as dated and required reviewing.

The Committee supported Councillor J. Butterfield's suggestion that the Head of Revenues and Benefits and the Service Manager - Looked After Children be invited to attend the December, 2014 Corporate Governance Committee to explain the lack of progress and provide assurance that the action plan was now being progressed. Members requested that a further report be presented to the Committee providing more detail and context on the impact the lack of action was having on service users.

RESOLVED – *that Corporate Governance Committee:-*

- (a) *receive the report.*
- (b) *agrees to invite the Head of Revenues and Benefits and the Service Manager - Looked After Children to attend the meeting of the Corporate Governance Committee on the 17th December, 2014, and*

(c) *request that a further report be presented to the Committee to provide more detail and context on the impact the lack of action was having on the service users.*

(IB to Action)

8 ANTI FRAUD CORRUPTION AND BRIBERY POLICY

A report by the Head of Legal, HR and Democratic Services (HLHDS) had been circulated previously.

The HLHDS introduced the report and explained that the Council employed over 4,000 staff and spends approximately £250 million per year. It commissioned and provided a wide range of services to individuals and households and worked with a wide range of private, public and voluntary sector organisations.

He highlighted the ongoing risk of loss due to fraud and corruption from both internal and external sources, and the risk of bribery as the Council provided and procured goods, works and services. Proportionate systems had been introduced to minimise risks and these were kept under constant review. The systems and procedures had been set out in the guidance at paragraph 5.12.

A draft revised Policy, Appendix 1, had been a single lengthy document split into two documents. Appendix 1 was a statement of Policy containing the main principles upon which the Council would approach fraud, bribery and corruption. Appendix 2 was a guidance document explaining the background to and the policies and procedures in place to support the Policy. The HLHDS provided a detailed summary of the contents of the Appendices.

He highlighted the importance that any policy purporting to counter the threat of fraud and corruption be kept up to date and reviewed in light of new legislative, technological and professional developments. The Policy would be reviewed every three years pending any specific changes in legislation. It was explained that from April, 2015 the Department of Works and Pensions would be running a single fraud investigation service and the Policy would be amended accordingly.

The title of the Policy had been amended to include a reference to bribery, to take into account changes to legislation brought about by the Bribery Act 2010. The guidance also took into account best practice guidance such as the CIPFA "Red Book 2 - Managing the Risk of Fraud".

The Policy Statement and procedures supporting it provided a clear message that the Council would not tolerate any impropriety by employees, Elected Members or third party organisations. The HLHDS confirmed that it was important that vigilance was maintained and that all employees, Elected Members and partners were aware of the process for reporting concerns or suspicions. Appendix 2 provided clear advice on the reporting process. There was a clear statement of the Council's commitment to taking robust enforcement action where illegal or corrupt activity was detected. It was confirmed that the Council would continue to adapt and adopt a proactive approach to countering fraudulent activities, and Internal Audit would undertake an annual review of the effectiveness of the controls.

In response to a suggestion from Councillor H.L. Holland that the Council's intent to deal with any related misdemeanours be made clearer and more robust, the HLHDS agreed that No. 8 of the Policy Statement, Page 55, be amended to read "The Council does not, and will not, engage indirectly in or otherwise encourage bribery. The Council is committed to the prevention, deterrence and detection of bribery." and No. 9 be included to read "The Council's adopts a position of zero tolerance towards fraud, theft, corruption and bribery".

In response to a question from Mr P. Whitham, the HLHDS agreed that reference to Elected Members in Appendix 2 be amended to include Co-opted Members, or the inclusion of a definition of Members. Mr Whitham also indicated that there was no reference made to Bribery, only to Fraud and Corruption, on Page 18 of Appendix 1 and Page 32 of Appendix 3.

RESOLVED – *that Corporate Governance Committee, subject to the issues raised, note the contents of the draft Anti Fraud, Corruption and Bribery Policy and recommend it for approval by Cabinet.*

(GW to Action)

9 CONTRACT PROCEDURE RULES

A report by the Acting Strategic Procurement Manager (ASPM) had been circulated previously.

The report presented the revised draft Contract Procedure Rules (CPRs) to Corporate Governance for review and comment prior to submission to full Council for approval on the 9th December, 2014 as detailed in Appendix 1 to the report.

The current CPR's had not been reviewed fully since their adoption in 2004. The document had been reviewed by the ASPM and Deputy Monitoring Officer in line with current legislation and latest best practice procurement procedures.

The addition of clauses making the consideration of Community Benefits clauses in all contracts above £2,000,000 had contributed to the priority of the Economic and Community Ambition Board, the lower of the financial thresholds would enable more lower value tender opportunities to be advertised which would allow local SME's to become aware of opportunities. All Service areas had been consulted regarding the revision of the Contract Procedure Rules. All comments had been reviewed and taken into consideration where applicable and relevant to the requirement of the document.

The ASPM confirmed that the main risk could arise from Departments not complying with the new CPRs, which may infringe upon UK and EU Procurement Regulations. A training programme would be provided for all Service areas following the implementation of the revised document to define its requirements and the implications of non-compliance. The revised CPRs, Appendix 1, and a summary of key changes, Appendix 2, had been included with the report.

The ASPM responded to a question from Councillor M.L. Holland and provided details of the sign-off procedure controls. He confirmed that changes to CRMs for schools had recently been introduced, and explained that tender evaluation, in terms of the price and quality split, would be within the remit of the Project Manager. The ASPM agreed to provide a response to Mr P. Whitham in respect of issues pertaining to aggregation.

In reply to a question from Mr P. Whitham, it was agreed that an offer of training for Elected Members in respect of CPRs, including a demonstration of the system, be included in the report to be presented to Council.

The ASPM responded to questions from Councillor G.M. Kensler and provided details of the Approved List of Contractors, which was unmanageable and would be discontinued in April, 2016 and replaced by framework agreements with a less number of suppliers.

The HLHDS provided details of the process for the sale or acquisition of land. He explained that Qualified Valuers in the Council's Estates Department would advise on the appropriate methods for dealing with such matters. Confirmation was provided that all transactions would be subject to a professional valuation process. Councillor J. Thompson-Hill explained that there was a disposal procedure in place, which included a Scheme of Delegation, which was outside the remit of the CPRs.

RESOLVED – *that Corporate Governance Committee:-*

- (a) notes and accepts the revised Contract Procedure Rules, and authorises their submission to full Council for approval in December, 2014.*
- (b) agrees that that an offer of training for Elected Members in respect of CPRs be included in the report to be presented to Council, and*
- (c) requests that the ASPM to provide a response to Mr P. Whitham in respect of issues pertaining to aggregation.*

(SA to Action)

10 YOUR VOICE - USING CUSTOMER FEEDBACK

A report by the Head of Customers and Education Support (HCES), which provided an overview of customer engagement activity across the Authority, and includes specific examples of services utilising customer feedback to shape service design and delivery, had been circulated previously.

The report had been submitted following debate at the Performance Scrutiny Committee on how the Authority responded to and acted upon customer feedback. It was confirmed that continually looking for ways to improve services should be an intrinsic part of the business activity. The use of customer feedback, which included complaints, compliments and suggestions received, provided opportunities to improve service design and delivery, whilst instilling public confidence that the Authority noted and acted upon customer feedback.

All services had been requested to provide examples of the mechanisms utilised to engage with their customers, with a specific focus on using feedback when planning and delivering services. Details of the process had been provided in Appendix 1 to the report. Consultations included monthly reporting to SLT, quarterly reporting to Performance Scrutiny Committee and annual reporting to Corporate Governance Committee.

The HCES responded to a question from Councillor J. Butterfield and explained the process adopted, through the respective Heads of Service, for engaging with Town and Community Councils and Customer Groups to address service level issues. The development of the EMMA service and All Member Events Calendar, through the utilisation of feedback from the Member Training Awareness Group, was highlighted.

RESOLVED – *that Corporate Governance Committee receives the report and notes the Authority's use of customer feedback.*

11 YOUR VOICE ANNUAL REPORT 2013/14

A report by the Head of Customers and Education Support (HCES), which provided an overview of the feedback received via Denbighshire's customer feedback policy 'Your Voice' during the period 01/04/13 to 31/03/14, had been circulated previously. The report excluded Social Services data which was reported separately.

The HECS explained that the reporting of complaints was encouraged and complaints were not viewed negatively as they provided an opportunity to improve service provision. The report presented an overview of the volumes and types of feedback received during 2013/14, and information regarding the Public Service Ombudsman for Wales' Annual Report and accompanying letter.

The following headlines for 2013/14 had been included in Appendix 1:-

- . A total of 510 complaints had been recorded – a decrease of 8% compared to the previous year's total of 556.
- . Overall performance for the year had been 96% (488/510) of complaints responded to within the 'Your Voice' timescales. This had been an improvement on the 2012/13 figure of 93% and exceeded the corporate target of 95%.
- . The number of complaints successfully dealt with at stage 1 had decreased from 94% last year to 91%.
- . A total of 749 compliments had been recorded. A decrease of 9% compared to the previous year's total of 820.
- . A total of 67 suggestions had been recorded which had been an increase of 319% compared to the previous year's total of 16. This area would be promoted to encourage more feedback in order to shape services.

Thirty six complaints had been made to the Ombudsman during 2013/14, which had been higher than the Welsh Local Authority (WLA) average, as indicated in Appendix 2. This had not been a concern as only two complaints relating to Social Services had been investigated by the Ombudsman, which equalled the WLA average. One Section 21 report had been issued which related to Adult Social Services. Summaries of the complaints had been included in Appendix 3.

Four complaints of Members breaching the Code of Conduct had been made during 2013/14, the same number as last year, as indicated in Appendix 4. Consultation included monthly reporting to the SLT, quarterly reporting to the Performance Scrutiny Committee and an Annual Report to the Corporate Governance Committee.

The Chair questioned the possibility of examining the introduction of a process to address complaints related to services which faced enforced budget cuts. The HECS explained that proactive work was being undertaken with service providers to examine service standards, with regard to the management of customer expectations. The necessity to communicate with customers regarding service delivery levels was highlighted, together with, the need to differentiate regarding the nature of complaints received, as not all complaints could be attributed to the cuts.

Mr P. Whitham referred to the dilemma of risks emanating from improving services while addressing the issue of the limited availability of resources. In reply to a question from Councillor G.M. Kensler, the HECS explained that the Performance Scrutiny Committee had been encouraged to examine in detail the specific nature of complaints in individual service areas, and this would be achieved with the involvement of Lead Members and the respective Heads of Service.

Councillor M.L. Holland highlighted the need to differentiate between service requests and complaints, and the possibility that a number of complaints recorded could relate to one specific issue.

RESOLVED – *that Corporate Governance Committee receives and notes the performance of services.*

12 CORPORATE GOVERNANCE COMMITTEE TERMS OF REFERENCE

A report by the Deputy Monitoring Officer, which sought the Committee's views on transferring areas from the Committee's Terms of Reference to the Council's Standards Committee (SC), had been circulated previously.

The HLHDS explained that the Corporate Governance Committee's (CGC) work load was increasing. The report sought views on transferring areas which could potentially be dealt with by the SC.

The current 'jurisdiction' of the SC only covered monitoring compliance with the Members Code of Conduct, raising standards of ethics and probity, training on the Code of Conduct and complaints regarding Members and dealing with references from the Public Services Ombudsman for Wales (PSOW); including playing a role in the Councils Self-Regulatory Protocol. The SC met approximately every other

month and comprised 2 County Councillors, 4 Independent Members, recruited via a public advert and 1 Community Council Member. The SC could only be quorate when the majority in attendance were independent Members.

Some Local Authorities had extended the remit of their SC to cover issues such as whistleblowing and complaints to the PSOW by Members of the public regarding maladministration. The DMO explained that there was an opportunity to consider the increasing the workload of the CGC and transferring it to the SC. The final decision would be made by Full Council and would be incorporated in the review of the Constitution. The report sought the views of the CGC on this approach.

Discussions between the respective Chairs of the Committees appeared to be that there was room for debate on transferring some or all of the following areas from the CGC to the SC, in addition to it retaining its current remit:-

- a) Whistleblowing.
- b) Indemnities for Officers and Members.
- c) Complaints including PSOW Complaints by members of the public about the Council (maladministration).
- d) Information Commissioner Complaints and review of the Councils activities under the Information Legislation (Data Protection and FOI).

The issues had been debated briefly at the SC on the 18th July, 2014 and an interest had been expressed in taking on a wider remit.

The following views were expressed by Members of the CGC:-

The Chair felt that a) and b) could be transferred to the SC, but expressed reservations regarding the transfer of c) and d). He felt that d) should remain with the CGC, as should c) which could involve addressing corporate level issues.

Councillor G.M. Kensler expressed the view that d) could be transferred to the SC, with a) and c) remaining with the CGC.

Councillor J. Butterfield felt that a), b), and c) could be transferred to the SC, but further information was required with regard to d).

Councillor M.L. Holland referred to the constitution of the SC. He considered that in view of the ratio of Independent Members a) could be transferred to the SC.

Mr P. Whitham suggested that the work undertaken by the HIA, in respect of the CGC forward work programme, and the content of the CGC Annual Report could be utilised when considering the transfer of areas of work. He felt that as d) had been identified as a Corporate Risk it should remain with the CGC, and that as a) was an integral part of the Anti Fraud, Corruption and Bribery Policy it should remain with the CGC.

The HLHDS informed the Committee that with regard to d) a balance would need to be struck regarding where areas of work would be most appropriately placed. He explained that officers would deal with information requests and a Policy was in

place to address related issues. It was suggested that as one of the Corporate Risks related to Data Protection, d) should possibly remain with the CGC. With regard to complaints around the Ombudsman, it was explained that complaints could relate to how a service was being delivered and not a Member or employee conduct issue.

The HIA highlighted the importance of the need to differentiate between the roles of the two respective Committees. He explained that complaints received could relate to an individual or a system, or the behaviour of officers or Members and he questioned whether it would be appropriate for the SC to examine service based complaints. The HECS endorsed the views expressed that the matter of complaints was a service issue and should remain with the CGC.

Councillor B.A. Smith responded to questions from Members and referred to the list of the Council's Policies, which HR were working on to make more user friendly.

The Chair summarised the debate and the Committee endorsed the following:-

- a) Whistleblowing – Varied opinions expressed.
- b) Indemnities for Officers and Members - Could be transferred to the SC.
- c) Complaints including PSOW Complaints by members of the public about the Council (maladministration) - Varied opinions expressed. Service level complaints should remain with the CGC, whilst complaints relating to individuals could possibly transfer to the SC.
- d) Information Commissioner Complaints and review of the Councils activities under the Information Legislation (Data Protection and FOI) - General consensus of opinion the it remains with the CGC.

During the ensuing discussion, the Committee requested that the HLHDS include the views of the CGC in the Constitution Review, liaise with the SC regarding the views expressed, look at the Constitution in its broader context and submit a further progress report to the CGC.

RESOLVED – *that Corporate Governance Committee:-*

- (a) receives and notes the details in the report.*
- (b) requests that the HLHDS includes the views of the Committee in the Constitution Review, liaises with the Standards Committee regarding the views expressed and looks at the Constitution in its broader context, and*
- (c) agrees that the Corporate Governance Committee receives a further progress report.*

(GW & IB to Action)

13 GOVERNANCE IMPROVEMENT PLAN UPDATE

A report by the Head of Internal Audit (HIA) had been circulated previously.

The HIA introduced the report and explained that an update on the Governance Improvement Plan (GIP), presented to the on the 29th September, 2014, had

contained gaps where responses had not been received from key officers, and Members requested an update on those outstanding items at its next meeting.

The Council's latest 'Annual Governance Statement' had been entitled 'Delivering Good Governance and Continuous Improvement'. The document provided a transparent and balanced self-assessment of the Council's governance arrangements, highlighting any significant governance weaknesses and other areas for improvement.

Improvement areas had been included in the GIP which provided proposed actions to address the weaknesses, officers responsible for the actions, and timescales. The first update to the Committee on the 29th September, 2014 had been incomplete, as responses had not been provided to enable the HIA to update the entire Plan. These responses had now been received and included in Appendix 1 to the report.

The HIA confirmed that if the GIP was not implemented, weaknesses would remain in the Council's governance arrangements, which could lead to:-

- adverse regulatory reports;
- poor use of public money;
- failure to improve key corporate and service areas;
- loss of stakeholder confidence; and
- an adverse impact on the Council's reputation.

Following further discussion

RESOLVED – *that Corporate Governance Committee receives and notes the report.*

14 FEEDBACK ON CORPORATE EQUALITIES MEETING

Councillor M.L. Holland explained that the Corporate Equalities Group had not met since the presentation of the previous report to the Corporate Governance Committee.

15 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME

The Corporate Governance Committee's Forward Work Programme (FWP) (previously circulated) was presented for consideration.

The Committee confirmed the Corporate Governance Committee Forward Work Programme subject to the inclusion of the following reports:-

17th December, 2014:-

- An update report by the Head of Internal Audit on Financial Payment to Care Leavers.
- Wales Audit Office Report on Denbighshire's Financial Planning Arrangements.

- CSSIW Annual Report.
- The New Model Constitution Report be rescheduled for the 28th January, 2015.

28th January, 2015:-

- CSSIW Annual Report.
- New Model Constitution Report.

RESOLVED – *that, subject to the above, the Committee approves the Forward Work Programme.*

Meeting ended at 13.25 p.m.

Report To: Corporate Governance Committee

Date of Meeting: 17th December 2014

Lead Member / Officer: Councillor Julian Thompson-Hill /Paul McGrady

Report Author: Richard Weigh, Chief Accountant

Title: Budget Process 2015/16

1. What is the report about?

The report gives an update on the process to deliver the revenue budget for 2015/16.

2. What is the reason for making this report?

To provide an update of the latest position.

3. What are the Recommendations?

To consider the latest update and comment as appropriate.

4. Report details

Since the last update, the budget process has moved to the end of the second phase (Appendix 1 shows the illustration of the budget process for reference).

The table of key events in the process and is shown below:

Table 1 Key Events

Key Events	Dates	Status
Corporate Governance Committee	15 th April 2014	Completed
Council Briefing	28 th April	Completed
First Round of Budget Meetings with Services	7 th May – 4 th Aug	Completed
Update to Cabinet Briefing	12 th May	Completed
CET Review of Process	19 th May	Completed
Update to Corporate Governance Committee	21 st May	Completed
Update to Cabinet Briefing	2 nd June	Completed
Update to Corporate Governance Committee	2 nd July	Completed
Update SLT	3 rd July	Completed
Update to Cabinet Briefing	7 th July	Completed
First Member Budget Workshop <ul style="list-style-type: none"> • Highways & Environment (part 1) 	9 th July	Completed

<ul style="list-style-type: none"> • Communication, Marketing & Leisure 		
Second Member Budget Workshop <ul style="list-style-type: none"> • Education/Schools • Customers & Education Support • Finance & Assets • Corporate Budgets 	14 th July	Completed
Third Member Budget Workshop <ul style="list-style-type: none"> • Highways & Environment (part 2) • Business Improvement & Modernisation • Legal & Democratic Services • HR 	26 th August	Completed
Extra Workshop If Needed	28 th August	Not required
Fourth Member Budget Workshop <ul style="list-style-type: none"> • Adults & Business Services • Children & Family Services • Communication, Marketing & Leisure (Youth Services) • Planning & Public Protection 	2 nd September	Completed
Update to Corporate Governance Committee	3 rd September	Completed
County Council	9 th September	Completed
Fifth Member Budget Workshop <ul style="list-style-type: none"> • Housing & Community Development • Corporate Plan 	22 nd September	Completed
Phase 2 proposals developed by services	September/early October	Completed
Update to Cabinet Briefing	22 nd September	Completed
Update SLT	2 nd October	Completed
Update to Cabinet Briefing	6 th October	Completed
Sixth Member Budget Workshop <ul style="list-style-type: none"> • Communication, Marketing & Leisure • Schools/School Improvement • School Support • Customers/Education Support 	8 th October	Completed
Seventh Member Budget Workshop <ul style="list-style-type: none"> • Highways & Environment 	13 th October	Completed
Eighth Member Budget Workshop <ul style="list-style-type: none"> • Planning & Public Protection (CCTV) • Children & Family Services 	20 th October	Completed

<ul style="list-style-type: none"> • Adults & Business Services 		
Ninth Member Budget Workshop <ul style="list-style-type: none"> • Finance & Assets • Legal, HR and Democratic Services • Economic & Business Development 	27th October	Completed
Update to Cabinet Briefing	3rd November	Completed
Update to Corporate Governance Committee	5th November	Completed
Update to Cabinet Briefing	8th December	Scheduled
County Council	9th December	Scheduled
Tenth Member Budget Workshop	12th December	Invites Issued
Update to Corporate Governance Committee	17th December	
County Council	3rd February 2015	

The council's budget strategy had previously identified a budget gap of up to £18m over two years. This was primarily driven by indications that the council's funding settlement would be cut by 4.5%. The Provisional Local Government Settlement was published on 8th October. The Settlement indicates that the cash reduction to the council's budget will be 3.7% which equates to £5.3m. With cost pressures the council has to fund, such as pay, pensions and energy increases, the budget gap for 2015/16 is now approximately £8.3m and estimated to be approximately £8.8m in 2016/17 - £17.1m in total.

An analysis of the movements in assumptions between the September and end of November is included as Appendix 2. The appendix outlines the impact of changes as a result of the Provisional Settlement, including the impact of grants transferring in and out of the Settlement and shows the movement in cost pressure assumptions over the period. It should be noted that the assumptions change on a regular basis and this is illustrated by the movement over the last three months with includes assumptions for pension strain costs, fire service levy and pay award costs changing. Appendix 3 shows tables extracted from the Provisional Settlement to highlight the following:

- Table 1 shows the adjusted base with a 3.7% reduction
- Table 2 shows how the base was adjusted by transfers in and out of the Settlement
- Table 3 shows further transfers included in the Settlement but not specifically funded
- Table 4 shows a list of grants between 2014/15 and 2015/16

Table 4 is included to highlight the issue reported last month regarding the Intermediate Care Fund (ICF) and the Regional Collaboration Fund (RCF).

The RCF was set up in 2013/14 as a 3-year grant to fund regional collaboration projects and totalled £10m across Wales. In 2014/15, around half of this was diverted as part of a £50m fund (ICF) to promote better integration between health and social care. The Provisional Settlement shows the ICF ending, but it includes approximately £5m of previous RCF money which is funding a number of projects that have another year to run.

The Final Local Government Settlement for 2015/16 is due to be published in early December. A verbal update on the Final Settlement will be provided at the meeting.

The second phase of the budget process will conclude with proposals being taken to Council for approval on 9th December. The proposals total £3.6m in 2015/16 and £1.8m in 2016/17 and with the proposals approved by Council in September, result in proposals totalling £7.3m in 2015/16 and £2.7m in 2016/17.

A verbal update will be provided in respect of any issues relating to the budget process arising from the Council meeting on 9th December.

Phase 3 of the budget process will consider final proposals to balance the 2015/16 budget, including options for Council Tax and any use of reserves. These issues are due to be discussed at the member workshop on 12th December before the final approval of the budget in February. Phase 3 of the process will also continue to develop savings options for 2016/17.

5. How does the decision contribute to the Corporate Priorities?

Effective management of the council's budgets and delivery of the agreed budget strategy underpins activity in all areas, including corporate priorities.

6. What will it cost and how will it affect other services?

The council may need to deliver savings of approximately £17m over the next two financial years.

7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision?

An EqIA will be completed for all relevant proposals as the process develops.

8. What consultations have been carried out with Scrutiny and others?

The report to Council on 9th December highlighted the significant consultation process built into the process. This includes:

In addition to regular reports on the process to the Corporate Governance Committee, the budget process has been considered by CET, SLT, Cabinet Briefing and Council Briefing meetings. Two of the individual proposals have also been considered by scrutiny committees – these are CCTV (PPP08) and

Provider Services (ABS02). The latter proposal has also been the subject of a specific Task & Finish Group set up by the Performance Scrutiny Committee to examine options for delivering high quality care services.

By the end of the 2015/16 budget setting process, there will have been at least ten budget workshops held with elected members to examine service budgets and consider budget proposals.

Details about the purpose and responses to the 'Cutting Our Cloth' public engagement exercise - which has yielded 822 survey responses and over 5,000 website hits.

In addition to the public engagement exercise, the council had informed all Town and Community councils about the proposed cuts and hosted a meeting for all the councils to discuss and debate the proposals. There are ongoing discussions between some of the county council's services and some Town councils about the impact of the proposals and whether or not the Town councils would consider funding some of the activities if the cuts are made. These discussions are continuing.

The council has consulted its partners, through the joint Local Service Board, and there has been a meeting between Police colleagues and senior council officers to start exploring possible alternatives to the CCTV cut, if it is made. These discussions will continue if the proposals become decisions.

All members of staff have been kept informed about the budget setting process and where proposals become decisions the affected staff will be fully consulted, in accordance with the council's HR policies and procedures.

Trade Unions have been consulted through Local Joint Consultative Committee. A process for engaging with staff and their TU representatives was agreed at LJCC in September and is being adhered to.

9. Chief Finance Officer Statement

This will be an extremely challenging process with some tough decisions to make along the way. The engagement and support of elected members in the decision making and scrutiny of the process is crucial.

10. What risks are there and is there anything we can do to reduce them?

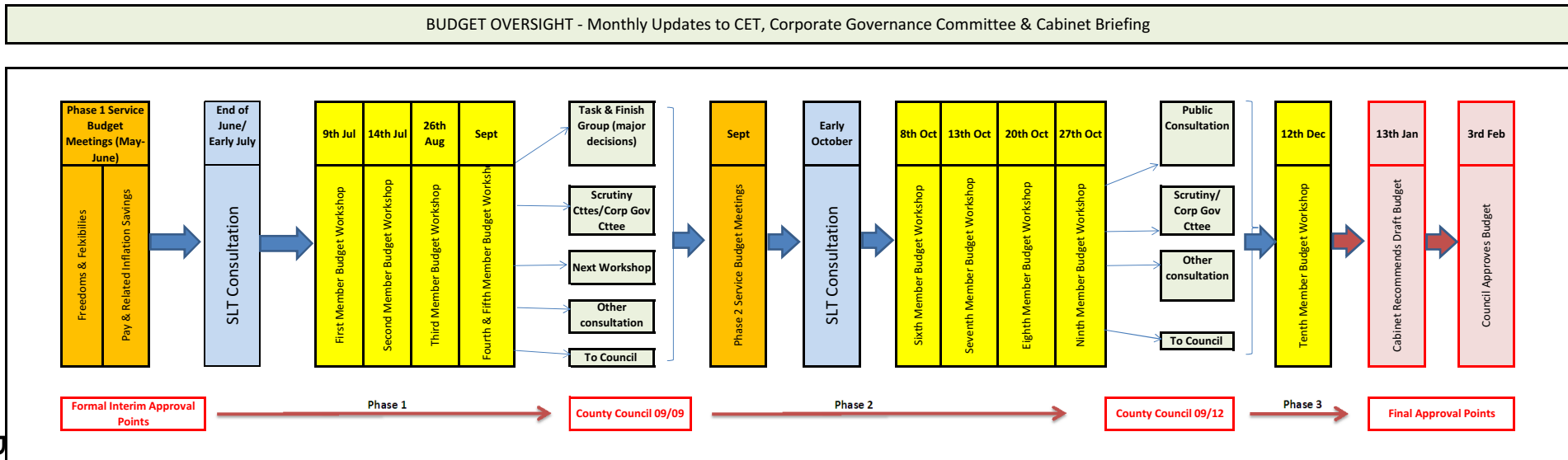
This is the most challenging financial period the council has faced and failure to deliver an effective budget strategy will put further pressure on services in future financial years.

11. Power to make the Decision

Local authorities are required under Section 151 of the Local Government Act 1972 to make arrangements for the proper administration of their financial affairs.

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BUDGET PROCESS 2015/16



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Appendix 2	Planning Assumptions -4.50% £'000	Draft Settlement -3.66% £'000	Difference £'000
RSG Planning Base	145,170	145,170	-
Adjusted Base 15/16 - grant transfers (1)	145,170	145,441	271
Planned v Provisional Settlement	138,637	140,116	(1,479)
Adjusted Cash Reduction RSG	6,533	5,325	(1,208)
Cost Pressures (2)	3,891	4,011	120
Additional Unfunded Transfers in 2015/16 (3)	-	241	241
Impact of Draft Settlement	10,424	9,577	(847)
Council Tax Rise @ 2.75%	(1,318)	(1,318)	-
Council Tax Base Adjustment (4)		-	-
Savings Required	9,106	8,259	(847)
Use of Balances (5)	0	500	
Final Savings Required	9,106	7,759	(1,347)

Notes

(1) Settlement is adjusted to bring in grant transfers - these included (LGBI) Local Government Borrowing Initiative (Yr1) and the Integrated Family Support Service. Increasing the starting base means the cash reduction is greater. The grant transfers are detailed in an extract from the Draft Settlement (enclosed).

(2) The MTFP has to make assumptions around unavoidable cost pressures such as pay rises, pension increases, NNDR inflation energy cost rises, insurance premium increases, etc. The change between the value of pressures quoted in September relates to a number of movements including: increased pension strain, pay assumptions and increases to the fire service levy. The point on the cost pressures is that the assumptions can change on an almost weekly basis.

(3) The Draft Settlement included a further instalment of LGBI which is included within the overall settlement but has not been pass ported specifically within it - so it is effectively a cut. The LGBI element of this is £242k. This pressure will be reduced locally by £85k as cuts to CTRS administration grant and the PFI grant will be pass ported onto the relevant service budgets.

(4) The Council Tax Base was recently recalculated. The recalculation suggests a gross increase of 1%. However, it is likely (as indicated by draft figures recently circulated) that the final settlement will adjust for this by reducing RSG by the equivalent financial value.

(5) Planning assumption now is that balances will be used for the next three years - i.e . not budgeting to replenish the £500k cash used each year over that period.

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WELSH LOCAL GOVERNMENT SETTLEMENT 2015-16

Provisional

Table 1: Change in Aggregate External Finance (AEF), adjusted for transfers, by Unitary Authority

£000s

Unitary authority	2014-15 final AEF*	2015-16 provisional AEF	% change	Rank
Isle of Anglesey	96,628	92,887	-3.9%	16
Gwynedd	175,110	168,060	-4.0%	17
Conwy	157,963	151,154	-4.3%	20
Denbighshire	145,441	140,116	-3.7%	14
Flintshire	193,137	186,506	-3.4%	12
Wrexham	175,308	170,307	-2.9%	5
Powys	182,395	174,316	-4.4%	21
Ceredigion	103,889	99,256	-4.5%	22
Pembrokeshire	167,223	160,260	-4.2%	18
Carmarthenshire	261,141	252,446	-3.3%	7
Swansea	318,434	307,713	-3.4%	8
Neath Port Talbot	210,186	205,133	-2.4%	1
Bridgend	195,160	188,543	-3.4%	10
The Vale Of Glamorgan	157,889	152,507	-3.4%	11
Rhondda Cynon Taf	367,802	354,369	-3.7%	13
Merthyr Tydfil	91,583	89,228	-2.6%	3
Caerphilly	272,730	263,497	-3.4%	9
Blaenau Gwent	113,283	110,084	-2.8%	4
Torfaen	135,813	130,806	-3.7%	15
Monmouthshire	97,831	93,619	-4.3%	19
Newport	214,920	209,410	-2.6%	2
Cardiff	436,298	423,703	-2.9%	6
Total Unitary Authorities	4,270,161	4,123,920	-3.4%	

* The published AEF for 2014-15 is subject to a number of adjustments set out in Table 8

WELSH LOCAL GOVERNMENT SETTLEMENT 2015-16

Provisional

Table 2: Adjustments to 2014-15 Aggregate External Finance (AEF) base*, by Unitary Authority

£000s

Unitary authority	Actual 2014-15 AEF	Transfers in:				Transfers out:			Adjusted 2014-15 AEF
		Local Government Borrowing Initiative - 21st Century Schools	Integrated Family Support Service	Autistic Spectrum Disorder		Student Finance Wales	Feed Safety Controls	National Adoption Service	
Isle of Anglesey	96,432	86	144	40	57	11	6	96,628	
Gwynedd	174,971	93	144	40	107	21	10	175,110	
Conwy	157,855	46	144	40	91	21	11	157,963	
Denbighshire	145,170	188	144	40	76	16	9	145,441	
Flintshire	192,942	164	144	40	120	22	12	193,137	
Wrexham	175,208	57	144	40	109	21	12	175,308	
Powys	182,077	200	216	40	107	21	11	182,395	
Ceredigion	103,636	82	216	40	67	12	6	103,889	
Pembrokeshire	166,715	384	216	40	102	19	10	167,223	
Carmarthenshire	260,859	222	216	40	151	29	16	261,141	
Swansea	318,224	131	288	40	192	37	21	318,434	
Neath Port Talbot	209,769	238	288	40	113	23	14	210,186	
Bridgend	194,863	115	288	40	111	22	12	195,160	
The Vale Of Glamorgan	157,641	54	280	40	97	18	10	157,889	
Rhondda Cynon Taf	367,332	410	280	40	198	39	22	367,802	
Merthyr Tydfil	91,282	44	280	40	48	9	6	91,583	
Caerphilly	272,584	133	173	40	153	30	17	272,730	
Blaenau Gwent	113,097	52	173	40	60	12	7	113,283	
Torfaen	135,487	209	173	40	73	14	9	135,813	
Monmouthshire	97,509	204	173	40	74	13	7	97,831	
Newport	214,826	38	173	40	118	26	14	214,920	
Cardiff	435,986	352	280	40	275	53	31	436,298	
Total Unitary Authorities	4,264,466	3,500	4,577	880	2,500	490	272	4,270,161	

* Adjustments to base for like-for-like comparisons

Note: The published AEF is subject to an adjustment to make it a suitable basis for the floor calculation. It is adjusted for transfers of £5.695m, which are expressed in 2014-15 prices.

WELSH LOCAL GOVERNMENT SETTLEMENT 2015-16

Provisional

Table 3: New Indicator Based Assessments (IBAs), 2015-16 by Unitary Authority

£000s

Unitary authority	Transfers in:		Total 2015-16 new IBAs
	Local Government Borrowing Initiative - 21st Century Schools	Integrated Family Support Service	
Isle of Anglesey	196	144	340
Gwynedd	212	144	356
Conwy	105	144	249
Denbighshire	429	144	574
Flintshire	376	144	520
Wrexham	130	144	275
Powys	457	216	674
Ceredigion	187	216	403
Pembrokeshire	877	216	1,093
Carmarthenshire	507	216	723
Swansea	300	288	588
Neath Port Talbot	544	288	832
Bridgend	263	288	551
The Vale Of Glamorgan	123	280	402
Rhondda Cynon Taf	936	280	1,216
Merthyr Tydfil	100	280	380
Caerphilly	304	173	477
Blaenau Gwent	118	173	291
Torfaen	477	173	650
Monmouthshire	465	173	638
Newport	88	173	261
Cardiff	804	280	1,083
Total Unitary Authorities	8,000	4,577	12,577

WELSH LOCAL GOVERNMENT SETTLEMENT 2015-16

Provisional

Table 4: List and estimated amounts of Grants for total Wales

Existing Grant name	£m	
	2014-15	2015-16
Bus Revenue Support	0.251	0.550
Bus Revenue Support (Traws Cymru)	1.800	1.500
Bus Services Support Grant	25.000	25.000
Concessionary Fares Scheme	58.550	60.500
Flood Funding to Local Authorities ²	1.577	0.000
Land Reclamation S16 ²	2.862	0.000
Local Transport Grant	15.700	N/A
Road Safety Grant	2.000	2.000
Tourism Investment Support Scheme (Wrexham)	0.085	N/A
Travel Plan Co-ordinators	0.160	N/A
Wales Transport Entitlement Card	0.200	N/A
Youth Concessionary Fares Scheme	0.000	5.000
Education Improvement Grant for Schools	0.000	141.021
14-19 Learning Pathways ³	10.180	0.000
Foundation Phase Revenue Grant ³	97.900	0.000
School Effectiveness Grant ³	36.718	0.000
Welsh in Education Grant ³	5.630	0.000
Minority Ethnic Achievement Grant ³	10.000	0.000
Grant for the Education of Gypsy Children and Traveller Children ³	1.100	0.000
Induction ³	0.400	0.000
Lead and Emerging Practitioner School (Tranche I, II and Special Schools) ³	1.930	0.000
Higher Level Teaching Assistants ³	0.182	0.000
Reading and Numeracy Test Support ³	0.823	0.000
Bands 4 and 5 ³	0.460	0.000
Pupil Deprivation Grant ⁴	71.246	82.046
Family Learning Programme Grant ²	1.829	0.000
Learning in Digital Wales (LIDW) ²	3.310	0.000
Post-16 Provision in Schools	108.299	N/A
Community Learning	4.555	N/A
ReACT ²	8.581	0.000
School Uniform Grant	0.736	0.736
Skills Growth Wales	2.716	0.000
Support Staff Training Grant ⁴	0.200	N/A
Youth Work Strategy Support Grant	2.756	2.756
Autistic Spectrum Disorder Infrastructure Grant ¹	0.880	0.000
Delivering Transformation Grant ⁴	1.300	3.000
Food Hygiene Rating Grant ²	0.133	0.000
Integrated Family Support Services ¹	4.577	0.000
Intermediate Care Fund ^{2 4}	35.000	0.000
Social Care Workforce Development Programme	8.159	8.400
Substance Mis-use Action Fund	22.663	27.475
Armed Forces Day Funding	0.020	0.020
Broadcasting & Community Council Websites	0.100	N/A
Communities First (Clusters)	33.379	N/A
Community Cohesion Grant	0.350	0.350
Community Fire Safety	3.347	1.030
Domestic Abuse Service Grant - Community Cohesion Officers ⁴	0.050	0.050
Domestic Abuse Service Grant - CORE	0.361	N/A

Domestic Abuse Service Grant - DAC & IDVA	0.825	N/A
Families First	43.422	43.422
Flying Start Revenue Grant	68.644	75.600
Language and Play	1.350	1.350
Local Government Borrowing Initiative - 21st Century Schools ¹	3.500	0.000
Local Service Board Development Grant (LSB) ²	0.350	0.000
Local Service Board European Structural Fund (ESF) Project ²	3.502	0.000
North Wales Family Support Collaboration Project ²	0.055	0.000
Out of School Childcare Grant	2.300	2.300
Pupil Deprivation Grant (Communities First)	1.963	2.000
Regional Collaboration Fund ⁴	5.174	5.174
Remploy ESG	3.290	0.213
Scrutiny Development Fund ²	0.100	0.000
Successor Outcome Agreement Grant	31.100	31.100
Youth Crime Prevention Fund	4.900	4.900
Youth Justice Services	0.296	0.240
Aberystwyth Regeneration Area Grant ²	0.031	0.000
Business Improvement Districts	0.079	0.079
Cardiff Bay Legacy Funding	6.397	6.253
Ceredigion Oil Buying Syndicate	0.060	0.035
CyMAL	1.918	N/A
Flood and Coastal Erosion Risk Management	12.200	12.200
Lead Local Flood Authority Grant Funding (FWMA2010 & FRR2009)	2.200	2.200
Local Authority Animal Health and Welfare Framework ²	0.600	0.000
Supporting People	134.359	124.409
Sustainable Waste Management Grant	66.000	64.000
Tidy Towns	1.713	1.713
Town Centre Partnerships	0.300	0.400
Waste Procurement - Food Waste Programme ²	0.864	0.000
Waste Procurement - Gate Fee Support	0.613	1.975
Waste Procurement - Pre payment for Services (Food Waste) ²	1.333	0

Note: The information shown above details the grants where the amount that Total Wales will receive in 2014-15 and for 2015-16 are known. It is important to note that amounts for future years are indicative at this stage and a formal notification of grant allocations is a matter for the relevant policy area.

N/A = figures not available at time of publication

1. Transferring into Settlement in 2015-16
2. Grant Ending in 2014-15
3. Grants amalgamated into Education Improvement Grant for Schools from 2015-16
4. Grant is paid on a regional basis

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Report To:	Corporate Governance Committee
Date of Meeting:	17 December 2014
Lead Member/Officer:	Lead Member for Finance and Assets/ Head of Finance and Assets
Report Author:	Head of Finance and Assets
Title:	WAO Review of Financial Planning

1. What is the report about?

- 1.1 To present the final report of the Wales Audit Office into Denbighshire's financial planning.

2. What is the reason for making this report?

- 2.1 To seek the Committee's views on the report

3. What are the Recommendations?

- 3.1 That the Committee considers the contents of the report and comments as appropriate.

4. Report details.

- 4.1 The WAO report is attached and is self-explanatory.

- 4.2 The key findings are that

- The council has good financial management arrangements with no immediate shortcomings
- The council has a good track record in delivering identified savings within year against the planned actions that it approved
- The council's future plans and arrangements to deliver savings are fit for purpose and being effectively managed
- There are no proposals or recommendations arising from this review.

5. How does the decision contribute to the Corporate Priorities?

- 5.1 Robust financial management is fundamental to the delivery of all services within the council.

6. What will it cost and how will it affect other services?

- 6.1 There are no cost implications from the proposals

7. What are the main conclusions of the Equality Impact Assessment undertaken?

No EQIA has been undertaken as this is not relevant. EQIAs will be undertaken on specific proposals where appropriate.

8. What consultations have been carried out with Scrutiny and others?

N/A

9. Chief Finance Officer Statement

It is important that the Council has a robust financial management to ensure that it is able to deliver the required savings now and in the future.

10. What risks are there and is there anything we can do to reduce them?

10.1 N/A

11. Power to make the Decision

11.1 Under section 151 of the Local Government Act 1972, the Council must make appropriate arrangements for the proper management of its finances.

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Financial Planning Assessment **Denbighshire County Council**

Audit year: 2014-15

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Status of report

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This document was produced by Anthony Veale and Gwilym Bury.

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Background to our work

1. Good financial management is essential for the effective stewardship of public money and the delivery of efficient public services. Good financial management is also essential for ensuring authorities continue to deliver services to meet statutory obligations and the needs of local communities. Good financial management:
 - Ñ helps authorities take the right decision for the short, medium and long term;
 - Ñ is essential to good corporate governance;
 - Ñ is about managing performance and achieving strategic objectives as much as it is about managing money;
 - Ñ underpins service quality and improvement;
 - Ñ is the basis of accountability to stakeholders for the stewardship and use of resources; and
 - Ñ is a key management discipline.
2. Managing for the long term is not about predicting the future; it is about preparing for it. Planning involves understanding future demand, assessing the impact of probable changes, reviewing the gaps between funding needs and possible income and developing appropriate savings strategies.
3. An authority's strategic priorities and its financial health should be the basis for deciding what is practicable. Well considered and detailed long-term financial strategies and medium-term financial plans can ensure the delivery of strategic priorities by enabling appropriate financial choices. Conversely, short-term annual budget planning encourages an incremental and process-driven approach that is too inflexible in a period of rapid external change.
4. During the period May to August 2014, the Wales Audit Office examined authorities' financial positions and how they are budgeting and delivering on required savings. This work considered whether authorities have robust approaches in place to manage the budget reductions that they are facing to secure a stable financial position that will enable them to continue to operate for the foreseeable future. The focus of the work was on the 2014-15 financial planning period. In order to inform views on the planning for and successful delivery of budgets, we also considered track record for previous financial years 2011-12 to 2013-14.
5. The work focussed on answering the following question: **Is the authority managing budget reductions effectively to ensure financial resilience?** In this report we set out our conclusions on both track record and future prospects:
 - **Track record** – whether the authority successfully identified, planned for, and delivered the savings required in the period 2011-12 to 2013-14; and, if there was a shortfall, how was this addressed.

-
- **Future prospects** – whether the authority has an effective corporate framework for financial planning, exercises effective financial management and control, has a robust framework for reviewing and challenging financial performance; and whether the authority has realistic plans to make the savings required for 2014-15 and is taking appropriate steps to deliver them.
6. In Denbighshire County Council (the Council), we analysed a range of data, including the Council's published accounts and its performance returns to Welsh Government and the Local Government Data Unit. We also interviewed a small number of key staff and reviewed reports that the Council and its committees have considered.

The Council has good financial management arrangements with no immediate shortcomings

7. We came to this conclusion because we found that:
- the Council has a good track record in delivering identified savings within year against the planned actions that it approved; and
 - the Council's future plans and arrangements to deliver savings are fit for purpose and are being effectively managed.
8. Our detailed conclusions are set out in [Appendix 1](#) and are based on the extent to which the Council has put in place, and is operating, effective financial management and controls which are supporting it to secure a stable financial position that enables it to continue to operate going forward.

The Council has a good track record in delivering identified savings within year against the planned actions that it approved

9. The Council successfully identified, planned for and delivered a range of recurring and non-recurring savings required to meet the budget shortfall between 2011-12 and 2013-14. There were no unidentified savings that needed to be developed at the time the 2011-12, 2012-13 and 2013-14 budgets were approved and the Council's planned reductions and savings were achieved across all three years.

The Council's future plans and arrangements to deliver savings are fit for purpose and are being effectively managed

10. The Council has an effective corporate framework for financial planning and exercises effective financial management and control. It has a framework for reviewing and challenging financial performance, realistic plans to make the savings required for 2014-15 and is taking appropriate steps to deliver them.

Proposals for improvement

11. There are no proposals for improvement or recommendations arising from this review.

Appendix 1

Detailed results of our review

Key line of enquiry	Fieldwork Findings	Conclusions
Track Record 2011-12 to 2013-14	<ul style="list-style-type: none"> The Council identified a range of recurring and non-recurring savings to fully meet the 2011-12, 2012-13 and 2013-14 budget shortfalls. In 2011-12 the Council identified and fully implemented £6,359 million savings and efficiencies. In 2012-13 the Council identified and fully implemented £3.4 million savings and efficiencies. The Council achieved 99.3% of savings with the remaining savings relating to printer rationalisation deferred into the following financial year. The 2013-14 budget setting process appears robust with no unidentified areas of cost savings included in the original budget. 	<ul style="list-style-type: none"> The Council has a good track record of identifying its annual budget shortfall and achieving a range of recurring and non recurring savings and efficiencies.
Strategic Financial Planning	<ul style="list-style-type: none"> The Council developed a range of budget proposals reflecting its Council Plan and priorities. The framework involves full engagement with Members through forums such as Member Budget workshops. The Council has developed and published a Corporate Plan for 2012-2017. The Council published its Year 2 Delivery Document (the Plan), the annual review of its Corporate Plan 2012-2017 (An Excellent Council, close to the community), in April 2013. The Plan complies with the requirements of the Local Government Measure to produce an annual Improvement Plan. The Plan is clear and concise, outlining what the Council wants to achieve and how it will go about it. The rationale for why Improvement Objectives (Outcomes) have been chosen is explained briefly but clearly. The Plan also explains what the Council aimed to do during 2013-14 and the measures it would use to evaluate success in achieving its objectives. The Council has clearly stated how its Improvement Objectives link to its medium-term financial plan and individual service plans. It has identified the resources available to support the delivery of Improvement Objectives in 2013-14, from both revenue and capital funding. 	<ul style="list-style-type: none"> The Council's corporate framework for strategic financial planning is effective and supports delivery of corporate visions, aims and improvement objectives.

Key line of enquiry	Fieldwork Findings	Conclusions
	<ul style="list-style-type: none"> • The Council has a performance management framework in place which it uses to review and monitor progress against meeting the Corporate Plan priorities, the service plan priorities, key risks, performance measures, achievements and areas of improvement. • Through its annual service challenge and budget setting process budgets are set in line with Corporate Plan priorities. • The Council has a number of policies supporting its financial planning arrangements, with responsibilities set out in respect of budget setting, monitoring and reporting. • The Council has a Medium Term Financial Plan (MTFP) which is cross referenced with its Improvement Objectives. The MTFP covers a five year period. The 2014 version does detail how the remaining savings gap is to be addressed in 2015/16 and beyond although the lack of clarity by the Welsh Government on the level of budget reductions for 2015 and beyond hinders the Council in its planning process. • The Council's approach to setting its revenue budget has been to incrementally reduce costs based on saving proposals from services and corporate budgets. The process has worked well in the past but the Council recognises that this approach has now run its course. For 2015-16 services are being reviewed under Freedoms & Flexibilities programme to achieve a target of £12 million savings over the next two years. This is the most significant change to the budget process and will focus on what a service does, how much it costs and attempt to analyse whether service provision is statutory, aligned to a corporate priority or discretionary. • The MTFP is reviewed on an annual basis through its annual service challenge process and budget setting consultation. Each service is subject to an annual service challenge where the CEO, Leader, Strategic Directors and chairs of scrutiny subject each service to a fundamental challenge to the delivery and quality of services. The service challenge is a key vehicle in identifying the future direction of travel of services and the future risks. • The Council's financial planning framework involves extensive consultation with members via budget workshops. Members engage actively and challenge proposals. • There is an established process for approving a detailed budget and setting council tax for the following year. 	<ul style="list-style-type: none"> • The Council's approach to setting its revenue budget has worked well in the past but the Council recognises that this process has now run its course. For 2015-16, services are being reviewed under the Freedoms & Flexibilities programme.

Key line of enquiry	Fieldwork Findings	Conclusions
Financial Management and Control	<p>The Council's financial management and control arrangements are robust and are being effectively managed.</p> <ul style="list-style-type: none"> • The Council's Financial Regulations include a section on budgets, covering financial planning and budgeting; budgetary control; virement and exceptional supplementary budgets. The responsibility for setting the Authority's Budget is the sole responsibility of Members, after advice from Officers of the Council. This is a statutory responsibility. The Council must set a balanced budget; there must be sufficient funding available (to be received in the financial year concerned) to match the expected expenditure incurred. Members determine the allocation of resources between Directorates, resource centres and the associated policies. In conjunction with the Head of Finance and Assets, individual Directors are responsible for the more detailed aspects of budget setting. • The Council does not have a corporate policy on income generation/recharging but there are many examples of such policies at a service level ; • A new forecasting, monitoring and reporting system has been put in place. This is called Collaborative Planning. It ensures a more consistent approach to budgetary control across the Council by collating budgetary information onto an on line system and reducing the need for the use of differing spreadsheets within the various service departments. • A monthly budget report is sent to the Cabinet. The monitoring reports presented to Cabinet show the projected outturn for the year (rather than the position at a particular point in time) compared to the original budget. These reports contain details of any significant variation in spend coupled with corrective action. 	<ul style="list-style-type: none"> • The Council's financial management arrangements are working effectively. Arrangements are in place to ensure that the budget is effectively set, monitored and reported. • The Council does not have a corporate policy on income generation/recharging but there are many examples of such policies at a service level.

Key line of enquiry	Fieldwork Findings	Conclusions
Financial Governance	<p>The Council's financial governance arrangements to review and challenge performance are robust:</p> <ul style="list-style-type: none"> • As per the Financial Regulations there are agreed approval limits for virements, depending on amounts and whether they are within services or between services. • Heads of Service are held to account. Budget holders (Heads of Service) are held to account by the Cabinet on a monthly basis, and are required to provide monthly returns and explanations on budget over- and under-performance • Periodic management accounts (for revenue budget and capital development) are presented to both Cabinet and the Corporate Governance Committee. • The Council has a good track record of accurately reporting budget performance and delivering the savings agreed. 	<ul style="list-style-type: none"> • The Council has a robust framework for reviewing and challenging financial performance.
Current Savings Plans 2014-15	<p>The Council's current savings plans for 2014-15 are fit for purpose and are being effectively managed:</p> <ul style="list-style-type: none"> • The MTFP takes comprehensive and reasonable account of the longer term implications of interest rates, price index, and demographic allocations, policy initiatives by the Council and Government and known unavoidable commitments. The Council considers that its robust arrangements are undermined by the lack of clarity and timeliness of financial settlements in the short and medium term, from Welsh Government. • The 2014-15 Revenue Budget incorporated prudent and reasonable inflationary assumptions such as assuming pay inflation of 1.2%. • The 2014-15 savings target total of £8.5 million has been identified. Reasonable assumptions have been made in identifying the shortfall/savings target for 2014-15. • The impact of increased demand for services has been costed, especially unavoidable pressures due to increased Social Care demand. • The Council budget is monitored on a monthly basis by the Senior Leadership Team and the cabinet. 'Savings' are monitored as an expression of how much of the annual savings have been achieved to date. Over the last three years over 90% of the required savings were achieved by the end of the second quarter. Half yearly budget reports are presented to the full Council with any shortfall in savings reported by the Cabinet to the next full Council meeting. 	<ul style="list-style-type: none"> • The Council's 2014-15 savings and efficiencies plans are fit for purpose, are being effectively managed and are likely to be achieved.

Key line of enquiry	Fieldwork Findings	Conclusions
	<ul style="list-style-type: none"> • The 2014-15 Savings Plan is SMART (specific, measurable, achievable, relevant and timely): <ul style="list-style-type: none"> the 2014-15 Savings Plan is specific; it clearly explains where savings will be made and includes savings targets for each item; the 2014-15 Savings Plan is measurable; Council has assessed the impact of the savings, evaluated risks and considered mitigation plans and arrangements to measure and track savings are in place; and the 2014-15 Savings Plan is challenging but achievable. • The Council's 2014-15 Savings Plan takes appropriate and relevant account of the financial pressures it faces. Despite a very challenging grant settlement from the Welsh Government, the Council has set a balanced budget for 2014-15 which includes a 3.5 per cent increase in council tax and savings of £8.5 million. • Historical performance suggests that the Council will meet its savings target. There is no indication that the planned reduction/savings for 2014-15 are unachievable. Over the last three years over 90% of the required savings were achieved by the end of the second quarter. 	<ul style="list-style-type: none"> • The 2014-15 Savings Plan is SMART (specific, measurable, achievable, relevant and timely).

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Report To:	Corporate Governance Committee
Date of Meeting:	17 December 2014
Lead Member / Officer:	Julian Thompson-Hill, Leader Member for Finance & Assets
Report Author:	Ivan Butler, Head of Internal Audit
Title:	Procurement of Construction Services - Update

1. What is the report about?

This report provides the Committee with details of Internal Audit's latest follow up work of Procurement of Construction Services following its initial report in October 2013 and the Wales Audit Office's (WAO) report of March 2014. This is the second follow up report, the previous one being in September 2014.

2. What is the reason for making this report?

The Corporate Governance Committee requested a further follow up report for Procurement of Construction Services be presented to the Committee to provide assurance that improvements have been made since the September 2014 report.

3. What are the Recommendations?

- Committee considers and comments on the Internal Audit follow-up report.
- Committee considers whether it has enough assurance that adequate progress is being made on the action plan to improve the service.

4. Report details.

Internal Audit issued a report on Procurement of Construction Services in October 2013 that gave a 'low' assurance rating, with an action plan for improvement. Our review concluded that *"...there is considerable scope for improvement. By developing a strategic approach, there is potential to make construction procurement much more efficient through streamlining processes and making them more consistent, with the benefit of removing duplication."*

The WAO report covered school building maintenance work, concluding that *"Improvements need to be made to the current procurement arrangements to ensure that the Council can demonstrate that it is achieving value for money. In addition, the Council is not complying fully with its current contract procedure rules."*

The follow up action plan in Appendix 1 incorporates all 21 actions from both the Internal Audit and WAO action plans. Although some progress has been made since

the first follow up report in September 2014, only eight actions have been fully implemented, although all of the remaining actions are in progress. In particular, there has been progress in developing a draft procurement strategy and contract procedure rules, both of which affect implementation of several other improvement actions.

How does the decision contribute to the Corporate Priorities?

There is no decision required for this report.

5. What will it cost and how will it affect other services?

There are no costs attached to this report.

6. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.

This report does not require a decision or proposal for change, so there is no impact on people who share protected characteristics.

7. What consultations have been carried out with Scrutiny and others?

Not applicable – information report only

8. Chief Finance Officer Statement

Not applicable – information report only

9. What risks are there and is there anything we can do to reduce them?

Not applicable – information report only

10. Power to make the Decision

Not applicable – information report only

Action Plan

Audit Follow-up Review of: Procurement of Construction Services

Date: December 2014

Action Plan Owner: Head of Finance & Assets

Corporate Risk/Issue Severity Key	
	Critical – Significant CET and Cabinet intervention
	Major – intervention by SLT and/or CET with Cabinet involvement
	Moderate – Containable at service level. Senior management and SLT may need to be kept informed

Risk/Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
1. Page 57	The Council's Procurement Strategy ran until March 2012. Setting the direction for Council procurement is vital to ensure that it is aligned with national, corporate and service requirements. A risk analysis of current spend should be assessed against the Council's requirements to show how procurement can contribute more effectively.	<p>Develop a robust Procurement Strategy that will encompass the requirements in the latest Denbighshire Economic and Community Ambition Strategy, the Welsh Procurement Policy Statement and the Welsh Government's Construction Procurement Strategy.</p> <p>Strategic Procurement Manager (January 2014)</p> <p>Response at February 2014: The revision of the Procurement Strategy is currently in progress with a target to have a draft document completed by 31 March 2014</p> <p>Response at July 2014: The creation of the draft Procurement Strategy has been delayed by the merger of the DCC and FCC Procurement Teams and is now scheduled to be available by the end of October 2014.</p>	<p>In progress The revised strategy in draft form and has been issued to services for consultation.</p>	Finalise Procurement Strategy following consultation.

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
2.	<p>Given the high value of construction-specific procurement across various Council services, not having a construction procurement strategy could lead to the key issues continuing without effective action and the area showing little or no improvement. In addition, the Council could suffer scrutiny if it does not adopt the National Construction Procurement Strategy.</p>	<p>The construction procurement strategy will be incorporated within the corporate procurement strategy. The SPU and Property Services will develop the construction procurement strategy element jointly with input from the other Council services that undertake construction procurement activity. This will need to align with the National Construction Procurement Strategy.</p> <p>Strategic Procurement Manager & Property Manager (January 2014)</p> <p>Response at February 2014: This is on-going through the Construction Procurement Working Group. The basic premise has been established comprising: 21st C Schools Framework for OJEU works; Advertising on Sell 2 Wales for project over £250K and frameworks for work below this threshold.</p> <p>Response at July 2014: Work is ongoing with regards to the Construction Working Group. Work has now started on establishing framework agreements for Reactive Maintenance services and also Asbestos Surveying and Removal. The expectation is to have these agreements available for use by December 2014. The remainder of the Approved List categories are being reviewed on a case by case basis with a view to having alternative solutions in place by March 2015.</p> <p>The construction procurement strategy is still under development and should be available for inclusion in the main procurement strategy by October 2014. It will be aligned to the principles of the National Construction strategy and will include the need for early contractor involvement and the move away from price only tendering to a price and quality basis.</p>	<p>In progress As item 1</p>	<p>As above</p>

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
3.	<p>The SPU has previously identified several initiatives to improve construction procurement but little progress has been made, as resources are being pulled in different directions e.g. collaboration.</p> <p>Unless a clear procurement plan is developed and prioritised, with sufficient steer from a senior level, initiatives such as introducing an e-sourcing system corporately and category leads, are likely to slip further and result in longer delays.</p>	<p>E-sourcing will be rolled out by March 2014 but it does not include interfaces for third party job costing systems e.g. asset management. A project plan and Verto is being used for this.</p> <p>To ensure that this programme is rolled out effectively there is a need to establish a project board with a senior member of staff as chair to ensure the project plans are implemented efficiently.</p> <p>Acting Strategic Procurement Manager (March 2014)</p> <p>Response at February 2014: Delays in the creation of project templates and documentation has caused a slip in the expected roll-out date. This should now commence during April 2014. Some departments are using the system on small projects with assistance from the SPU.</p> <p>Response at July 2014: Due to issues with the project manager, delays have been encountered with the project. A new project management team has been established. Roll out is expected in Q1 of 2015/16.</p> <p>Project templates have now been created for 60% of the type of requirements needed. All main types are available for use. The remainder should be completed late in Q3 of 2014/15.</p> <p>Roll out of the system is expected to be completed by March/April 2015.</p>	<p>In progress</p> <p>This is on target for roll out by March 2015 as indicated.</p> <p>Highways have expressed interest in becoming a pilot to undergo training on the system as a "First Adopter". This is currently being arranged in conjunction with the Highways team. This will be followed by social care who have also asked for use of the system earlier.</p>	<p>Roll out of the system is expected to be completed by March/April 2015.</p>

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
4.	<p>Management information and performance measurement of construction-related spend has its limitations. This hinders the Council in identifying opportunities for price savings and cost reduction.</p> <p>The introduction of a corporate e-sourcing system over the next two years promises additional tools to help management and provide continuous improvement.</p>	<p>The SPU will develop reports to introduce better management information to services and senior managers. E-sourcing will introduce performance information by way of customer feedback logged against each supplier.</p> <p>Performance feedback will be input to the e-sourcing system and will be more transparent. The system can set reminders to prompt customers/clients to input their feedback.</p> <p>As part of the 21st Century Schools procurement project, Key Performance Indicators (KPIs) are being established to promote continuous improvement.</p> <p>Acting Strategic Procurement Manager (July 2014)</p> <p>Response at February 2014: This is currently on target. The introduction of M-Power in Finance will greatly assist this requirement.</p> <p>Response at July 2014: KPI's have been developed for 21st Century Schools project by the Project Manager. These are currently under consideration with the project Operations Board and contractors to ensure suitability. Once agreed, the Proactis system will be updated to make them available electronically for contract monitoring.</p> <p>The M-Power system for expenditure analysis will be made available by Finance in October 2014. This will allow a more informed scrutiny of who the Council places business with.</p>	<p>In progress A performance management questionnaire has now been built for Highways following the award of the Minor Works Framework and is available for use when members of staff have been trained.</p> <p>A similar questionnaire will be built for Property Services</p> <p>Both of these questionnaires will enhance the performance monitoring of contractors undertaking works for the Council. Similar questionnaires may be built for other services following the roll out of the system in 2015.</p> <p>The M Power system for expenditure analysis is still undergoing some minor final developments and will be available for use before January 2015.</p>	<p>Performance management questionnaire for Property Services</p> <p>Finalise M Power system expenditure analysis – January 2015</p>
5.	<p>Awareness of and adherence to CPRs are weak in some services. For example:</p> <ul style="list-style-type: none"> when requested, Bridges and Structures were unable to 	<p>Revised CPRs have been developed and are currently out for consultation. CPR awareness workshops will be held with various services to promote awareness and understanding of CPRs. Schools and Public Realm are a priority for this training due to recent cases of non-compliance.</p>	<p>Complete The revised CPRs have been approved by Corporate Governance Committee and are now being taken to Council on 9 December for final approval.</p>	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
	<p>produce a signed contract for works valued over £50k</p> <ul style="list-style-type: none"> aggregate spend on suppliers on the approved lists often exceeds £100k, but little comparison is done to make sure the Council gets value for money <p>There is also limited awareness that the SPU could be contacted as a source of knowledge on procurement activity.</p> <p>The introduction of the e-sourcing system over the next two years along with associated training is an opportunity to reach out to service representatives and promote compliance.</p>	<p>Acting Senior Procurement Manager (January 2014)</p> <p>Response at February 2014: All comments have been correlated and issued to the individuals for further review. The comments are now under review by Legal Services. Once these have been received Procurement and Legal will meet to identify the issues raised. The intention is to have a final Draft copy available for 31 March 2014.</p> <p>Response at July 2014: The draft CPRs are now with Legal Services for final scrutiny. Due to current workload in the department, it is anticipated that the review will be completed by the end of September 2014 and taken through the committee processes by the end of December 2014.</p>	<p>Following this a training programme for all officers involved in procurement is currently being arranged for January with an invitation being given to elected members to participate in a separate training session as agreed at the November Corporate Governance Committee meeting.</p>	
	<p>A Construction Procurement Working Group has been convened comprising the main construction procuring services and the SPU. This group will consider and determine what is achievable and drive forward changes in respect of framework agreements and how to deal with reactive small works procurement. This will be tied in with the new framework manager role within Property.</p> <p>Acting Strategic Procurement Manager and Property Manager Informally by August 2013 with more formal arrangements from March 2014. First group meeting held September 2013.</p> <p>Response at February 2014: The working group has been established and includes representation from Property, Procurement, Housing and Housing Renewals. An agreed way forward in terms of reactive maintenance and asbestos removal procurement has been agreed and frameworks for these elements are being developed.</p>	<p>In progress</p> <p>A "Meet the Buyer event for reactive maintenance works was held on 28 November, following an advert on Sell2Wales to promote the opportunity. Over 25 companies attended. The Pre-Qualification documents have since been issued to businesses to be returned by mid-January 2015, with the Invitation to Tender documents being issued by the end of January. The intention is to have agreements available by April 2015, as indicated. Work will then commence on the further review of the remaining Approved List categories to determine the best solution.</p>	<p>Issue Invitation to Tender documents – January 2015</p> <p>Framework Agreements in place – April 2015</p> <p>Review remaining Approved List categories</p> <p>New arrangements for Housing & Area Renewals – April 2015</p>	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
		<p>There are some issues with the procurement of Housing renewals works which are individually tendered. The procurement of works between £5K - £250K is now being considered. The Group meets monthly.</p> <p>Response at July 2014 Work will commence on the next phase as soon as possible following completion of the two services being tendered.</p> <p>A separate meeting is to be convened with Housing and Area Renewals, as it has now determined that its list of contractors needs reviewing and replacing with a framework agreement with a reduced number of contractors. Work on this project is expected to commence in October 2014 with new arrangements in place by March 2015.</p>	<p>This still under discussion with Housing Area Renewals and is likely to slip to April 2015.</p>	
		<p>HR to be requested to provide a procurement training element into the standard induction training provided to all new starters within Denbighshire. Acting Strategic Procurement Manager (October 2013)</p> <p>Response at February 2014: HR have been requested to include a Procurement Awareness session into their induction training. This will be a brief explanation on CPR's and Procurement procedures.</p> <p>Response at July 2014: The SPU has been informed that Strategic HR no longer undertakes a corporate induction programme. This is now the responsibility of each department. The SPU will now have to confer with all Heads of Service to establish how the Council can inform new members of staff of the requirements of procurement.</p> <p>Once the new CPRs have been finalised it is</p>	<p>In progress Strategic HR no longer provides corporate induction training. Discussions are currently ongoing with Strategic HR as to the best way to ensure that all new members of staff are aware of the Contract Procedure Rules.</p>	<p>A meeting is to be held with Customers and Education Support, who are now responsible for the Induction Pack to ensure the Contract Procedure Rules are included.</p>

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
		intended to hold CPR training workshops for all members of staff with any procurement responsibility. This will be undertaken on a service by service basis.		
6.	<p>The Council does not maintain a corporate contracts register, which is required for transparency and is an important management tool. Signed contracts are vital documents that should be easily accessible in case the Council needs to resolve disputes with any of its contractors.</p> <p><i>Note: Services may be spot purchasing goods or services but contracts specific to other departments may offer advantageous pricing if accessible.</i></p>	<p>Each service needs to start collating a list of service specific contracts in order to populate a central contract register. This requirement is already set within the revised CPRs for Heads of Service to action. In order to capture this information, the SPU has developed a spread sheet to issue to all 'tier 1' managers to populate with details of their current contracts. The spread sheet will be issued to departments in October 2013. Acting Strategic Procurement Manager (January 2014)</p> <p>Response from February 2014: Information has been received from the majority of departments and is currently undergoing review. Completion of the review by 31 March 2014</p> <p>Response from July 2014: Information has been received from departments but, due to other priorities and the merger of the DCC and FCC procurement teams, this has been delayed. It is anticipated that this will be reviewed in September 2014.</p>	<p>In progress Information from departments has been received and is still under review. Workshops were held with services in October 2014 to identify the range of formats required for a contract register and this has identified that there is not one solution that suits all services, due to the difference in contracts they use. The SPU is currently working with all Directorates to complete this task.</p>	<p>The target is to have this task completed in line with the roll out of the e-sourcing system in March 2015.</p>
7.	<p>The Council has several different lists used for construction-related works. All have control deficiencies to different extents that could put the Council at risk of health and safety sanction, financial losses and reputation damage.</p> <p>There is an opportunity to combine approved lists, which should reduce errors, improve consistency and remove the</p>	<p>The revised CPRs (out for consultation at the time of this report) reduce the limit for using approved lists for construction works to £250k (these are for individual items). It also specifies that the 'Head of Procurement' must approve the use of approved lists. Acting Strategic Procurement Manager (January 2014)</p> <p>Highways will review the Highways & Environment approved list to ensure that all suppliers and contractors comply with the Council's criteria for inclusion. Performance Officer (November</p>	<p>In progress Phase 1 of the review of the Property Services Approved List is complete as identified in Risk No 5. Reviews of the remaining categories will take place on a scheduled basis in Q1/Q2 2015. The use of Approved Lists will be phased out by April 2016.</p> <p>The Highways Framework Agreement has now been</p>	<p>See Risk/Issue 5</p>

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
	duplication of their upkeep to reveal efficiencies.	<p>2013)</p> <p>In the medium to long term, framework agreements for highways minor works will negate the need for approved lists in this area (See Risk Issue 9).</p> <p>Property will work with the SPU and the Construction Procurement working Group to:</p> <ul style="list-style-type: none"> • introduce a managed and transparent rotation system for tender invitation (look at Housing Renewals system); • instigate quality monitoring and recording system (not just health and safety); and • investigate integration of an approved list system with Proactis. <p>The development of framework agreements for smaller building projects, particularly reactive maintenance works will be undertaken by the Construction Procurement Working Group (See Risk Issue 9). Acting Strategic Procurement Manager & Property Manager (January 2014)</p> <p>Response from February 2014: Following the establishment of the Construction Procurement Working Group the use of Approved Lists will be discontinued for the majority of services and replaced by Framework Agreements. This removes the need for the Head of Procurement to approve their use.</p> <p>Response from July 2014: See Item 2 for comments.</p> <p>The SPU and Highways are currently working on the establishment of a framework agreement for Minor Works. The original intention was to advertise this by the end of July 2014, with the intention of having a new framework agreement in place by Q1 of 2015. This is currently on schedule and will replace the current approved</p>	completed and awarded to 12 companies, all of which are based in North Wales. This agreement is available for use from December 2014 and will replace the Approved List currently being used in that department.	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
		<p>list system.</p> <p>Once the new property services frameworks are completed the new rotational selection procedure will be in place.</p>		
8.	<p>On occasion, services and schools contract suppliers that are not on an approved list and without first consulting Property Services for advice. A contributing factor may be that they have concerns about the transparency of the costs they are being committed to without their consent or knowledge.</p> <p>Without clear communication channels and more cohesive working relationships, the Council and schools could fail in their obligation to maintain suitable health and safety arrangements, and poorly specified jobs could result in higher costs and inferior quality work.</p>	<p>CPRs will be formulated to cover schools using the same format as the revised Council CPRs. This will give the necessary guidelines on acceptable procurement practices, with scope for sanction where there are any breaches.</p> <p>To support this, the SPU, Property and Internal Audit will work together to provide awareness training for schools (Finance Managers) to promote compliance. Acting Strategic Procurement Manager, Education Planning & Resource Manager, Property Manager and Head of Internal Audit (January 2014, Procurement Training to be provided October 2013)</p> <p>Response from February 2014: The School Cluster Groups will be used to disseminate training once CPR's have been developed. Legal Services and School Improvement are currently working on a version for schools.</p> <p>An initial awareness session with schools Finance and Business Managers has been undertaken.</p> <p>Response from July 2014: The CPRs for schools have been drafted and are now out with schools for consultation. This is being co-ordinated by Legal Services in conjunction with the Education Planning & Resource Manager.</p> <p>In addition to this, an "Introduction to Procurement" training course is being arranged for all the schools Business and Finance managers for August / September 2014 to make them</p>	<p>Complete Contract Procedure Rules covering schools have now been completed and issued to all schools for use.</p>	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
		aware of the requirements of procurement legislation. This course has already been provided for all corporate finance staff.		
	<p>Enhance the Purchasing Systems (Proactis P2P) to create additional workflow approval for construction-related purchase orders i.e. before placing an order with a supplier, a nominated construction lead will have to approve it. A prototype has been tested in Flintshire County Council. A pilot project using the procurement of furniture will be established in this Council in October 2013. This will then be extended to other commodity areas including construction once the principle has been proved. Acting Strategic Procurement Manager to lead, with assistance from Construction Working Group and Senior Management Accountant (April 2014)</p> <p>Response from February 2014: Further discussion is required with Finance on this in order to create the additional workflow required.</p> <p>Response from July 2014: Discussions with the FCC P2P team are being undertaken to establish the procedure required to set this facility up in the P2P portal. The new Central Invoicing Process has temporarily delayed this from being reviewed.</p> <p>Preliminary discussions are being held with the P2P finance team to establish a procedure where schools purchase orders for construction activities are routed to Property Services for approval.</p>	<p>In progress Discussions have now taken place between DCC and FCC staff resulting in a trial process of routing purchase orders to a member of staff who will have responsibility for authorising the order e.g. a furniture order could be routed to Property Services to approve / reject based on the knowledge of available furniture within the Council. The Proactis P2P system will be undergoing an upgrade in Q1 2015, therefore the trial will not take place until this upgrade is complete.</p>	Undertake trial following upgrade if Proactis P2P system in Q1 2015	
9.	There is an opportunity for services to collaborate and pool resources to reduce costs on minor works. A framework agreement, if arranged properly,	The SPU will formulate a working group to develop both projects (Highways and Property minor works framework agreements). The building minor works framework agreement will be developed separately to highways but using	<p>In progress Reactive maintenance and asbestos frameworks have now been advertised and are on target for completion by April 2015.</p>	See Risk/Issue 5

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
	<p>should save time and money in the long term. The challenge is to maintain a transparent and fair process that gives local suppliers (Small Medium Enterprises) an equal opportunity to win the tender. This promotes diversity and competition and ties in with the National and Council's Corporate priority of economic regeneration.</p>	<p>the same method/approach (see specific action below). The working group will carry out analysis of all construction spend. Based on the analysis, procurement action plans will be developed for the different areas of spend. Acting Strategic Procurement Manager & Construction Working Group (September 2013)</p> <p>Response from February 2014: Working groups for both Highways and Property have now been established. Spend analysis is ongoing at this point in time along with identification of areas of spend to establish frameworks. The intention is to commence work on establishing frameworks for asbestos removal during April 2014 with other areas by July 2014.</p> <p>Response from July 2014: See Items 2 and 7 for comments.</p> <p>Under the new procurement structure, specific officers have now been assigned to review the expenditure in category areas. Due to the merger of the DCC and FCC procurement teams it is intended to have the review completed as quickly as possible during Q3 of 2014/15.</p> <p>Work commenced on the establishment of frameworks for asbestos surveying and removal in July 2014 and will commence on reactive maintenance works in August 2014. Work also commenced on the Highways Minor works framework in July 2014.</p>	<p>See Risk/Issue 5.</p> <p>The Highways Minor Works framework agreement is now complete and available for use as identified in Risk/Issue 7</p>	
		<p>Property Services will work with the SPU business partner to develop frameworks for lower value work. Efficiencies should be possible through reducing management costs, but the cost needs to be balanced with quality and legislative compliance. Acting Strategic Procurement Manager & Procurement Manager (Proposals will be developed by March 2014)</p>	<p>In progress See Risk/Issue 5</p>	<p>See Risk/Issue 5</p>

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
		<p>Response from February 2014: This is currently in progress with the intention of having relevant frameworks in place by July 2014</p> <p>Response from July 2014: See Item 2</p> <p>Work has commenced on the frameworks for asbestos surveying and removal and reactive maintenance and these will be advertised in August with the intention of having frameworks in place by October/November 2014.</p>		
		<p>The Highways & Environment Service Plan for 2013-14 contains an improvement activity under Outcome 1 for "Developing a minor works framework" (HES101a). Once developed, this can be rolled out to other areas of the service. Works Unit Manager / Performance Officer (with assistance from SPU) Completion date for HES101a is 31 March 2014, but can possibly be brought forward should the need arise</p> <p>Response from February 2014: This is currently in progress with the intention of having relevant frameworks in place by July 2014</p> <p>Response from July 2014: The SPU and Highways are currently working on the establishment of a framework agreement for Minor Works. The original intention was to advertise this by the end of July 14, with the intention of having a new framework agreement in place by Q1 of 2015/16.</p>	<p>Complete The Highways Minor Works framework agreement is now complete and available for use as identified in Risk/Issue 7.</p>	
10.	Tendering and contract-related templates (e.g. H05s and pre-qualification questionnaires) are inconsistent and direct the selection of suppliers to be based on lowest value instead of best value.	A construction procurement working group will be formed to review all current PQQ and tender documentation (including supplementary terms and conditions) and agree on a common set of construction-related documents. The Strategic Procurement Manager is developing a set of generic templates in line with the values set within the revised CPRs. These will be circulated	<p>In progress The documentation review is complete. The SPU is now updating all templates in line with the review to ensure that, when e-sourcing is rolled out, all questions and documentation are standard. This will be completed</p>	Complete update of all templates - March 2015

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
	<p>In line with Welsh Government requirements, services need to standardise PQQs (pre-qualification questionnaires), tender and contract templates to make it easier for suppliers to tender for work. If possible, this should be in coordination with other local authorities to be most effective.</p>	<p>as part of the CPR awareness training (see action again Risk Issue 8). Acting Strategic Procurement Manager (January 2014)</p> <p>Response from February 2014: This action is on target for completion by end March 2014</p> <p>Response from July 2014: Under the new procurement structure, specific officers have now been assigned to review the current PQQ and tender documents, as these will be used in the Proactis e-sourcing system. Due to the merger of the DCC and FCC procurement teams it is intended to have the review completed as quickly as possible during Q3 of 2014/15.</p> <p>There is a need to get agreement from all service areas to move to a standard form of contract for similar types of construction works to avoid confusion with contractors e.g. JCT, NEC, PPC2000 etc.</p>	<p>by mid-January 2015.</p> <p>Contract template workshops have been held and there is a need to have templates built reflecting all current forms of contract. This is currently in progress for completion when e-sourcing goes live by March 2015.</p>	
		<p>Standardise the relevant Highways & Environment documents and incorporate them into the service's ISO 9001 document control system. Performance Officer (December 2013)</p> <p>Response from February 2014: This is currently in progress and due for completion during April 2014</p> <p>Response from July 2014: Owing to the volume of documents involved, documents are now being integrated into a single quality management system on a document by document basis, i.e. whenever an existing Highways & Infrastructure document is used, the Quality & Performance Officer is informed and it is then given a control reference and revision number in accordance with the service's ISO 9001 accreditation.</p>	<p>Complete in July 2014</p>	<p>n/a</p>

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
Page 70		<p>In partnership with the SPU business partner, Property Services will review forms/letters etc. used across the Council and develop a standard set of documents. These could be used as a model for use by other local authorities (consensus on the forms has proved difficult in the past). Acting Strategic Procurement Manager & Property Manager (January 2014)</p> <p>Response from July 2014: Under the new procurement structure, specific officers have now been assigned to review the current PQQ and tender documents, as these will be used in the Proactis e-sourcing system. Due to the merger of the DCC and FCC procurement teams it is intended to have the review completed as quickly as possible during Q3 of 2014/15.</p>	<p>In progress The documentation review is complete. The SPU is now updating all templates in line with the review to ensure that, when e-sourcing is rolled out, all questions and documentation are standard. This will be completed by mid-January 2015.</p>	<p>The SPU is now updating all templates in line with the review to ensure that, when e-sourcing is rolled out, all questions and documentation are standard. This will be completed by mid-January 2015.</p>
	<p>1. Many procurement projects fail if they are not properly planned and adequately resourced. Such problems could be minimised if better links were established between procurement and project management. A large, complex procurement exercise should not be able to progress without a sound business case and agreed procurement plan.</p>	<p>The SPU is developing a checklist for procurements valued over £100k and this will shortly be available as a spread sheet. These will be linked to CPRs, the project management system (Verto) and the procurement section of the business case template. Acting Strategic Procurement Manager (October 2013)</p> <p>Response from February 2014: The checklist has been completed and is now under review following comments received during the CPR consultation exercise. This should be finalised in conjunction with the CPR's</p> <p>Response from July 2014: The checklist is complete and is waiting the completion of the review of the CPRs by Legal Services. The SPU is unable to progress this any further at this point in time. The indication from Legal Services is that the review will be completed by the end of September 2014 and taken through the committee processes by the end of December</p>	<p>Complete The checklist is complete and will be available following the implementation of the revised CPR's.</p> <p>The Verto system has been updated to add additional questions users must complete when undertaking projects that have any procurement activity to be undertaken as part of the procedure.</p>	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
Page 71		<p>2014.</p> <p>New CPRs state that a procurement checklist must be completed for contracts valued over £100k. The SPU must give approval and, if the construction relates to Property, HR or ICT, additional approval is required from each of the affected services. If valued less than £100k, the questionnaire should still be completed; however, the SPU approval is not required (note: approval from HR, ICT and/or Property still applies). Acting Strategic Procurement Manager and Corporate Programme Office Manager (October 2013)</p> <p>Response from February 2014: The checklist has been completed and is now under review following comments received during the CPR consultation exercise. This should be finalised in conjunction with the CPR's</p> <p>Response from July 2014: As above.</p> <p>Discussions have commenced with the Corporate Programme Office Manager to amend the Verto system to include procurement related questions into the system.</p>	<p>Complete As above</p>	
	12.	<p>Wales Audit Office Recommendation The current practices adopted by the Council for allocating work in respect of schools' building maintenance need to be more transparent . The Council should review and strengthen their procedures in respect of their use of approved contractor lists. The Council should:</p> <ul style="list-style-type: none"> clearly communicate to contractors how to apply and access the approved list; 	<p>Work is ongoing to establish framework arrangements for reactive maintenance works to all public buildings. This is in conjunction with the work being undertaken by the Construction Procurement Working Group which is considering procurement of construction projects corporately (not just within Property). July 2014 for agreed ITT and consultation. While an approved list is likely to remain for specialist contractors and, in the medium term, contractors wishing to be considered for higher value non-reactive works, this will be advertised on the Council's website. The Proactis e-sourcing system being rolled out through the Strategic Procurement Unit will</p>	<p>In progress See Risks/Issues 5 and 7</p>

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
Page 72	<ul style="list-style-type: none"> establish agreed procedures or criteria as to how contractors will be selected from the approved list in terms of work allocations; and establish agreed processes to evidence the selection of contractors from the approved list based on price, quality or past performance. 	<p>facilitate the selection of contractors and recording and monitoring of cost, quality and performance.</p> <p>User training will take place May/June 2014. System configuration for monitoring will commence once users have been trained.</p> <p>Response from July 2014: Work has now started on establishing framework agreements for Reactive Maintenance services and also Asbestos Surveying and Removal. The remainder of the Approved List categories are being reviewed on a case by case basis with a view to having alternative solutions in place by March 2015.</p> <p>Due to issues with the previous project manager, delays have been encountered with the project. A new project management board has been established. Roll out is expected in Q1 of 2015/16.</p>		
3.	<p>Wales Audit Office Recommendation Whilst the Council has provided a rationale for allocating work to a small number of contractors, current processes need to improve to enable the Council to check and monitor work allocations</p> <p>Management information needs to be available to enable Council officers to check and monitor the levels of work allocated to contractors.</p>	<p>No automated system currently in place. The Proactis e-sourcing system being rolled out through the Strategic Procurement Unit will provide an electronic information management tool for this purpose.</p> <p>User training will take place May/June 2014. System configuration for monitoring will commence once users have been trained.</p> <p>Response from July 2014: Due to issues with the previous project manager, delays have been encountered with the project. A new project management board has been established. Roll out is expected in Q1 of 2015/16.</p> <p>The system is being configured to ensure a selection process is created within the portal to select contractors based on pre-set criteria rather than the current procedure utilised.</p>	<p>Complete The Proactis e-sourcing system has now been configured to provide supplier selection rules based on a rotational basis. This will be used in Property Services when the new framework agreements are in place, and is available for use by Highways following the award of the Minor Works Framework Agreement.</p>	

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
14.	<p>Wales Audit Office Recommendation The Council is not fully adhering to its current contract procedure rules in respect of school building maintenance works. Officers should be reminded of the requirement to obtain quotes for all works for less than £10,000 unless it can be demonstrated that a quote would not be practicable, eg for emergency works.</p>	<p>Evidence shows that over the last two years (2012/13 to February 2014) from a total of 2,148 jobs completed, 44.5% were for a value of less than £100 and 37.5% were for a value below £500. Only 7.5% of jobs were for a value over £1,000. Given the volume, diverse nature of the jobs and client expectations to have service delivery restored ASAP, it is not considered practicable in terms of internal resource (when coupled with the workload generated through planned, capital and client request works), customer needs and the availability of contractors willing to undertake reactive works, to routinely obtain quotes for reactive works. April 2014</p> <p>Response from July 2014: Justification for not obtaining quotes for works between £1,000 and £10,000 is now required on works requisition forms - to be reviewed on a case by case basis by approving officers.</p>	Complete in July 2014	n/a

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Report To: Corporate Governance Committee

Date of Meeting: 17 December 2014

Lead Member / Officer: Barbara Smith – Lead Member for Modernising & Performance
Ivan Butler – Head of Internal Audit

Report Author: Ivan Butler – Head of Internal Audit

Title: Governance Improvement Plan

1. What is the report about?

This report provides an update on the Council's Governance Improvement Plan arising from the Council's 2013/14 'annual governance statement' - *'Delivering good governance and continuous improvement'*.

2. What is the reason for making this report?

This report provides information to the Committee on progress being made with implementation of the various actions included in the Governance Improvement Plan to ensure that the Council has robust and effective governance arrangements in place.

3. What are the Recommendations?

The Committee reviews and comments on the progress report.

4. Report details.

The Council's latest 'annual governance statement' was entitled *'Delivering good governance and continuous improvement'*. This document provided a transparent and balanced self-assessment of the Council's governance arrangements, highlighting any significant governance weaknesses and other areas for improvement.

The improvement areas were included in a Governance Improvement Plan that also provided proposed actions to address the weaknesses, officers responsible for the actions, and timescales. This report provides the latest update on progress with the Governance Improvement Plan included as Appendix 1.

5. How does the decision contribute to the Corporate Priorities?

While the 'annual governance statement' self-assessment does not directly contribute to Corporate Priorities, it provides an assessment and assurance on the delivery of the Corporate Plan, the Council's operational and financial performance,

governance arrangements, community engagement etc. that are all directed towards delivering the Corporate Priorities.

6. What will it cost and how will it affect other services?

There are no costs attached to this report and the only impact on services is where the report identifies improvement areas; however, services will already be aware of these and should be building this into their service planning.

7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.

This report does not require a decision or proposal for change, so there is no impact on people who share protected characteristics.

8. What consultations have been carried out with Scrutiny and others?

This is an information report only. The only consultation has been with the officers with responsibility for implementing the actions identified within the Governance Improvement Plan.

9. Chief Finance Officer Statement

There are no financial implications attached to this report.

10. What risks are there and is there anything we can do to reduce them?

If the Governance Improvement Plan is not implemented, weaknesses will remain in the Council's governance arrangements, which could lead to:

- adverse regulatory reports;
- poor use of public money;
- failure to improve key corporate and service areas;
- loss of stakeholder confidence; and
- an adverse impact on the Council's reputation.

11. Power to make the Decision

There is no decision required for this report but there is a requirement under the local Government (Wales) Measure 2011 for the 'audit committee' to oversee the Council's corporate governance arrangements.

Governance Improvement Action Plan – Progress Report December 2014

Improvement Area	Action	Responsibility	Timescale	Progress to Date
Significant Governance Issues				
<p>In future, we accept that some services and functions will stop or be transferred to others who may be able to deliver them at lower or no extra cost. We need to review our governance arrangements to take account of this, ensuring that public money is spent wisely and the public continues to receive good services and value for money.</p>	<p>We will be implementing new monitoring arrangements during 2014 to ensure that any third party or arms-length service providers have robust governance arrangements, and will implement scrutiny arrangements to monitor their financial and operational performance.</p> <p>The Head of Internal Audit produced a 'good practice' report in May 2014 that CET will discuss in July 2014 to agree the way forward.</p>	<p>Initial review by Head of Internal Audit, which will lead to further action plan for implementation of new arrangements</p>	<p>Preliminary report by 31 May 2014, with further action plan for implementation of new arrangements to be agreed</p>	<p>In progress 'Phase 1' report to CET in July 2014 and Corporate Governance Committee in September 2014.</p> <p>CET commissioned Head of Internal Audit to lead 'phase 2', which is development of framework for DCC by 31 March 2015. This project is in progress.</p>
<p>Our Internal Audit service provided a critical report on the procurement of construction services that highlighted several weaknesses, including that our procurement strategy is out of date. Internal Audit's recent follow up of the improvement action plan shows that, although we have developed a new draft strategy and Contract Procedure Rules, progress with improvement is slow and behind schedule.</p> <p>Also in procurement, we are involved in the development of some key projects but the creation of the National Procurement Service has also added to the complexity of procurement arrangements and led to a loss of</p>	<p>There is a separate action plan for dealing with the issues raised in the Internal Audit report.</p>	<p>Head of Finance & Assets</p>	<p>As per action plan</p>	<p>In progress Follow up of IA & WAO Action Plans reported to Corporate Governance Committee in September 2014. Progress reported as slow and behind schedule, so further follow up report in December 2014.</p>
	<p>The Council is fundamentally changing significant elements of its procurement. In May 2014, Cabinet approved the merger of Flintshire and Denbighshire procurement teams to create a larger more robust team. It also approved the move towards category management in conjunction with Flintshire and Gwynedd.</p>			<p>New team in place July 2014. Move to Category Management to take place up to 2016.</p>

Improvement Area	Action	Responsibility	Timescale	Progress to Date
<p>staff to the new organisation, with potential further staffing losses.</p> <p>We are aware that we are entering a critical period in relation to strategic procurement and the major changes that we are making; therefore, we will need to keep this area under regular review to ensure that the identified improvements are implemented and that the strategic programmes of change are successfully delivered.</p>	<p>A training programme has begun with relevant finance staff attending first.</p>		<p>Training programme is underway.</p>	<p>Complete 36 finance staff undertook the Introduction to Procurement course in June 2014. The course has been extended to the schools Business and Finance managers in October 2014.</p>
	<p>The Procurement Strategy is being re-drafted to better link with the Economic Development Strategy. Contract Procedure Rules are overdue but are currently with Legal Services for review.</p>		<p>Strategy due by August 14, as are CPRs</p>	<p>In progress Draft Strategy out for service consultation. The Contract Procedure Rules due for approval at County Council on 9 December 2014.</p>
	<p>The E-Sourcing project is due for implementation over the summer, along with Centralised Invoice Registration and improvements to Proactis for purchase order numbers.</p>		<p>Centralised Invoice Registration going live from July 2014.</p>	<p>In progress E-sourcing templates to be completed and departmental roll-out complete by the end of Q1 of 2015</p>
Partnership Governance				
<p>We are aware that not all partnerships use the partnership toolkit, so, as part of a comprehensive review of the partnership landscape, we need to review the guidance to ensure that it is user-friendly and effective. This review will also provide a greater knowledge and understanding of partnership activity and develop a better corporate understanding of the challenges of operational partnerships.</p>	<p>Practice-based review of governance toolkit</p>	<p>Head of Business Improvement & Modernisation</p>	<p>October 2014</p>	<p>In progress The review of the toolkit will form part of the Head of Internal Audit's review of third party and arms-length organisations. The deadline for this project is 31 March 2015.</p>

Improvement Area	Action	Responsibility	Timescale	Progress to Date
<p>Our partnership governance toolkit provides guidance on defining each partner's role in the partnership, line management responsibilities for staff supporting the partnership and legal status but does not provide clear guidance on the roles of partnership board members. We have already identified the need to review this guidance, as we are aware that it is not always used by partnerships.</p>	<p>Practice-based review of governance Toolkit</p>	<p>Head of Business Improvement & Modernisation</p>	<p>October 2014</p>	<p>In progress The review of the toolkit will form part of the Head of Internal Audit's review of third party and arms-length organisations. The deadline for this project is 31 March 2015.</p>
<p>Constitution</p>				
<p>The Council's main governance guidance is provided in our Comprehensive Constitution that clearly sets out respective roles and responsibilities of elected members and officers, particularly relating to governance, although it needs to be updated to take account of changed role titles and elected member portfolios.</p>	<p>A new Model Constitution has been developed for Wales. The Council's current Constitution will be reviewed in light of the new model and updated to reflect changed job titles and portfolios.</p>	<p>Head of Legal & Democratic Services</p>	<p>Constitution working group to meet by September 2014, with further reports to Corporate Governance Committee and Council. New model to be adopted by 31 December 2014</p>	<p>In progress The working group report is scheduled for Corporate Governance Committee in December 2014. The new model to be adopted by County Council by no later than March 2015.</p>
<p>Our codes of conduct for elected members and employees form part of induction training, although we need to ensure that we have arrangements in place to ensure that we regularly raise awareness of these codes.</p>	<p>Elected members have been provided with several training sessions on the Code of Conduct and refresher sessions are made available each year. A strategy for maintaining awareness among employees will be developed.</p>	<p>Head of Legal & Democratic Services</p>	<p>Refresher sessions for elected members will be provided before March 2015. An awareness training strategy for employees will be implemented by March 2015</p>	<p>In progress Dates are currently being sought for the provision of these sessions, which will be completed within the timescale set out.</p>

Improvement Area	Action	Responsibility	Timescale	Progress to Date
Equalities				
<p>We are continuing our work to improve awareness of equalities issues. But Internal Audit's staff survey found that there is still work to do to improve awareness of corporate equalities arrangements.</p>	<p>The Corporate Equalities Group will discuss the Internal Audit report at its July 2014 meeting. At the same meeting, the Group will consider for approval a new e-learning training module on equalities issues. Following approval, this new module will be rolled out.</p>	<p>Head of Business Improvement & Modernisation</p>	<p>Autumn 2014</p>	<p>In progress CEG considered the E-learning module at its meeting on 14 October 2014. It will then be rolled out corporately. In response to the Internal Audit report. CEG anticipates that the e-learning will increase awareness of equalities issues across the Council.</p>
<p>Equality Impact Assessments are now mainstreamed into our decision-making process, but we still need to improve the quality of some of these assessments and will be introducing a quality assurance process during 2014.</p>	<p>The Head of Internal Audit will carry out a quality control review of a sample of Equality Impact Assessments during 2014/15 and feed back to Heads of Service to improve the quality of future Assessments.</p>	<p>Head of Internal Audit</p>	<p>Commencing September 2014</p>	<p>In progress This issue was debated at CEG and it is still under discussion as to whether this is the responsibility of Internal Audit. Alternative quality control ideas are being considered.</p>
Policy Framework				
<p>We have an anti-fraud and corruption policy, although we have not reviewed and updated this since 2006.</p>	<p>This policy has been reviewed and a new draft policy will be presented to Corporate Governance Committee.</p>	<p>Head of Legal & Democratic Services</p>	<p>November 2014</p>	<p>In progress The draft amended policy was considered by Corporate Governance Committee on 5 November 2014. Some amendments are required before a final version is formally approved</p>
<p>Our environmental policy is out of date and we do not have a formal corporate approach to environmental management that would help to demonstrate our values and ethics by committing to ensuring that we help to maintain, enhance and use natural resources sustainably now and in the future.</p>	<p>There are currently no plans to revisit our existing policies; however, sustainability is now a core principle in our community planning and is reflected in Denbighshire's draft Well-being Plan, due for publication in November 2014.</p>	<p>Head of Business Improvement & Modernisation</p>	<p>November 2014</p>	<p>We have no plans to update the current policy. No further action is planned.</p>

Improvement Area	Action	Responsibility	Timescale	Progress to Date
Regulations & Standards				
<p>We have an independent and objective internal audit service providing assurance across the whole range of DCC's services, including partnerships. The service has not yet carried out the required self-assessment review to ensure that it complies with the new Public Sector Internal Audit Standards but plans to do this early in 2014/15.</p>	<p>Self-assessment review against Public Sector Internal Audit Standards and report outcome to Corporate Governance Committee.</p>	<p>Head of Internal Audit</p>	<p>Review complete by 30 September 2014 and reported to next available committee meeting</p>	<p>Complete Self-assessment complete and will be reported to Corporate Governance Committee as part of the Head of Internal Audit's Annual Report 2014/15.</p>
<p>We have made significant improvements in information governance during the year; however, we recognise that we still have a lot of work to do but have identified this in our Information Management Strategy, for example:</p> <ul style="list-style-type: none"> • develop e-learning modules for several areas of training; • improve the policy framework in areas such as email, records management and information security; • digitise catalogues and collections in our archives; • enhance our Publication Scheme and Disclosure Logs; • revise and embed the corporate retention schedule; and • achieve PSN accreditation for 2014. 	<p>We will continue to implement the Information Strategy</p> <p>E-learning on data protection is now in place</p> <p>Other actions on-going</p>	<p>Head of Business Improvement & Modernisation</p>	<p>Roll out to be completed September 2014</p>	<p>In progress Data protection training e-learning has now been completed by more than 1,000 members of staff. The Corporate Information Manager is continuing to collate responses to understand where there are gaps in take-up.</p> <p>PSN accreditation for 2014 has been achieved.</p> <p>A business case for the further roll-out of Egress secure e-mail system is being considered by Senior Leadership Team in November 2014.</p> <p>The archives/records management services are currently under review, with a proposal to expand the level of digitisation.</p>

Improvement Area	Action	Responsibility	Timescale	Progress to Date
Elected Members				
Scrutiny Committees produce annual reports on their work to County Council but the Corporate Governance Committee's self-assessment highlighted that it had not formed part of this performance monitoring arrangement in recent years.	Head of Internal Audit to work with Chair of Corporate Governance Committee to produce report on the Corporate Governance Committee's performance and effectiveness for 2013-14.	Head of Internal Audit/Chair Corporate Governance Committee	Draft report by 31 July 2014	Complete Item for discussion at Corporate Governance Committee in September 2014.
Stakeholder Engagement				
Our latest resident survey highlighted that most people do not feel well-informed about the Council's performance and a range of other issues asked in the survey. Page 82	We will continue to publish user-friendly performance information on the Council's website.	Head of Business Improvement & Modernisation	On-going	No further action is planned
	The Council's Corporate Communications Strategy Year 2 Action Plan includes various actions that will improve communication with residents to raise more awareness. This Strategy forms part of the team's service plan for 2014/15.	Various	Various timescales but Strategy to be implemented fully by 31 March 2015	Outstanding Visits to top 10 businesses have not progressed yet. Priority has been given to supporting the budget/Freedoms and Flexibilities process instead. In terms of business engagement more generally, good progress being made at an operational level both through the Economic Development Team and the Better Regulation project being led by the Public Protection Manager.

Improvement Area	Action	Responsibility	Timescale	Progress to Date
<p>The value of effective business engagement is only just being recognised, which means that we have a lot more work to do before we see the benefits that result from recent developments. We need to ensure that effective opportunities exist for businesses to provide feedback on the delivery of the Economic and Community Ambition Strategy / Programme and identify what we need to do to make engagement with the Council a valuable activity for businesses. In the longer term, as key stakeholders in the delivery of the overall vision for our economy, we need to increase business participation in making decisions about how we plan and invest Council budgets and resources for the greatest economic effect.</p>	<p>Leader and Corporate Director for Economic and Community Ambition to undertake annual visits to Business Groups and to the Top 10 businesses in the county to ensure that we are doing all we can to support local businesses and facilitate easy and accessible contact with senior decision makers within the Council.</p>	<p>Leader & Corporate Director for Community Ambition</p>	<p>Annual</p>	<p>Complete Survey complete and results being analysed for reporting to and discussion at the Economic Ambition Programme Board.</p>
	<p>A project to ensure that we are recognised as business-friendly. This will improve our engagement, both on a one to one business basis and also on a collective basis.</p>	<p>Public Protection Manager</p>	<p>Project timescales within Economic & Community Ambition Strategy</p>	<p>In progress A project proposal has been developed by the project manager, approved by the project sponsor and a project team has been set up. The Economic Ambition Board has approved the project and will receive regular reports, since it is one of the projects in the Economic Ambition Strategy Workshops have taken place with representatives of the business sector, including Chamber of Commerce, Federation for Small Businesses and Federation of Master Builders. We now have a set of outcomes, that have been shaped by industry. A business regulation survey and regulatory staff survey will now be undertaken, and task and finish groups set up to progress with other actions.</p>

Improvement Area	Action	Responsibility	Timescale	Progress to Date
	Annual survey of businesses. The results of the first survey are currently being collated and will inform how we work with businesses in future.	Economic & Business Development Manager	Annually in June	Complete Survey complete and results being analysed for reporting to and discussion at the Economic Ambition Programme Board.
Our Strategic HR service is working on a major programme to improve its performance since being identified as a significant governance issue in last year's Annual Governance Statement. The service has also reported its progress on implementing improvements arising from an adverse Internal Audit report to the Corporate Governance Committee. There are still concerns over the delivery of the improvement programme.	Internal Audit review to assess progress with improvement. Report to Corporate Governance Committee on outcome of review.	Head of Internal Audit	Review complete by 30 June 2014 and reported to next available committee	Complete Review completed and reported to Corporate Governance Committee in September 2014.

Report To: Corporate Governance Committee

Date of Meeting: 5 November 2014

Lead Member: Julian Thompson-Hill, Leader Member for Finance & Assets

Report Author: Ivan Butler – Head of Internal Audit

Title: Financial Payments to Care Leavers Update

1. What is the report about?

This report provides an update on progress with the action plan included in the Internal Audit report on Financial Payments to Care Leavers issued in March 2014.

2. What is the reason for making this report?

Corporate Governance Committee requested a progress report at its meeting of 15 April 2014.

3. What are the Recommendations?

The Committee reviews and comments on the progress report, particularly the lack of progress with the main issue raised, deciding whether it needs any further information or further progress reports.

4. Report details

Internal Audit's report on Financial Payments to Care Leavers issued on March 2014 included an action plan with four Moderate Issues that had 14 actions agreed to address the issues. When the Head of Internal Audit presented the report to the Corporate Governance Committee on 15 April 2014, the Committee expressed some concerns that the current payment process was unsustainable and requested that the Internal Audit follow-up review be reported to the Committee once completed.

Appendix 1 provides a progress update on the action plan that shows that only five actions have been completed, with a further three in progress. Six actions have not been addressed, including the main issue raised (Issue 1), which required a complete review of the process for making payments to care leavers. From our discussions, there has been no liaison between Social Services and Revenues & Benefits to discuss a corporate approach. Lack of progress on this key issue has also impacted on other issues within the action plan.

A further Internal Audit follow up is scheduled for January 2015.

5. How does the decision contribute to the Corporate Priorities?

Not applicable – information report only

6. What will it cost and how will it affect other services?

Not applicable – information report only

7. What are the main conclusions of the Equality Impact Assessment (EqIA) undertaken on the decision? The completed EqIA template should be attached as an appendix to the report.

This report does not require a decision or proposal for change, so there is no impact on people who share protected characteristics.

8. What consultations have been carried out with Scrutiny and others?

Not applicable – information report only

9. Chief Finance Officer Statement

There are no financial implications attached to this report.

10. What risks are there and is there anything we can do to reduce them?

If the Internal Audit action plan is not implemented, weaknesses will remain in the procedures for making payments to care leavers as outlined in the original Internal Audit report.

11. Power to make the Decision

Not applicable – information report only

Audit Follow-up Review of: Care Leavers' Service - Financial Payments

Date: October 2014

Action Plan Owner: Head of Children and Family Services

Corporate Risk/Issue Severity Key	
	Critical – Significant CET and Cabinet intervention
	Major – intervention by SLT and/or CET with Cabinet involvement
	Moderate – Containable at service level. Senior management and SLT may need to be kept informed

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
Page 87	1. There is a need to undertake a review of the process currently in place for making payments to care leavers.	<ul style="list-style-type: none"> Set up a meeting with the Head of Revenues & Benefits (and other staff as required) to discuss alternative methods of procuring goods and / or making payments to care leavers Service Manager-Looked After Children / Practice Leader/ Head of Revenues & Benefits – May 2014 Following the above, to undertake a review of the current payment process and implement changes as appropriate / required. Service Manager-Looked After Children – September 2014 	<p>Outstanding</p> <p>In progress Various providers of accounts/cards were explored. The Credit Union has cards that will meet the young people's needs with added controls, depending on their age (no overdraft, accepted in shops, used to withdraw cash). Credit Union will also accept one BACs payment and will split the money as we instruct them. The Practice Leader has met with manager of the Credit Union to progress with this</p>	<p>Service Manager-Looked After Children to meet with Acting Strategic Procurement Manager and / or Head of Revenues & Benefits to consider other options that may be available in respect of procuring goods and services at discounted prices Revised timescale – December 2014</p> <p>The Practice Leader to meet the Financial Assessment Officer who processes payments for care leavers. Further meeting planned with manager of Credit Union to finalise agreement prior to implementation. Revised timescale – Dec. 2014</p>

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
	<p>Objectives should be considered to achieve the following:</p> <ul style="list-style-type: none"> • Setting up a bank account or alternative for every care leaver as soon as possible following referral to the service to equip them to receive payments in this way and to learn about budget management. • Maximising value for money through negotiating with third party suppliers, e.g. Arriva for bus passes or with white good suppliers, where greater discounts can be obtained through framework agreements. • To explore more modern and secure ways of making payments, such as using pre-paid cards where the level of spend can be easily monitored and controlled. This would replace the need to administer transactions through the petty cash account, which is costly and labour intensive. <p>Additionally, there is a need to consider cross-service working on</p>	<p>Note: Bank accounts are set up for care leavers. There is a process to support some of those who are unable to manage budgeting matters. Training, support and advice is in place and bank accounts applied for when the service is confident that this best meets the assessed needs of the individual young person.</p> <ul style="list-style-type: none"> • Set up a process where six-weekly reviews of the bank account situation for each young person is monitored. <p>Practice Leader and other Social Workers – May 2014</p> <ul style="list-style-type: none"> • To be factored into the overall review. • To be factored into the overall review. • To be factored into the overall review. 	<p>option.</p> <p>Completed</p> <p>Outstanding</p> <p>In progress</p> <p>Outstanding</p>	<p>Monitor via supervision and file audits.</p> <p>Meeting to be held to discuss procurement matters (see note above)</p> <p>Arrangements to be finalised (see note above)</p> <p>Meeting to be held to discuss procurement matters (see</p>

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
	this project to take advantage of skill sets outside the social care environment, e.g. price negotiation and marketing.			note above)
2.	<p>The procedures currently in place for the Care Leavers service are in need of review but we accept that it may be practical to deal with this exercise after the previous issue has been addressed.</p> <p>Linked to this, associated areas of concern include the following:</p> <ul style="list-style-type: none"> The schedule of allowances payable should be reviewed and approved by an appropriate senior manager on an annual basis. The same should be followed for the leaving care first home grants (if they are to continue in the same way after the review). All social workers dealing with care leavers may require some refresher training to help raise awareness of the need to adhere to the procedures if the service is to ensure a fair and consistent process and that the financial framework is robust. 	<ul style="list-style-type: none"> Service Manager to review schedule Service Manager-Looked After Children - April 2014 Service Manager to review schedule Service Manager-Looked After Children - April 2014 Workshop within Practice Group meeting Practice Leader - April 2014 Further revision to procedures to be made to reflect any changes to the payment process (resulting from the work in Issue 1 above) Service Manager-Looked After Children - After the completion of the payment process review. 	<p>Completed Review of payment for this financial year done and no changes were made. Payments for next financial year to be agreed following confirmation of budget position</p> <p>Completed As above</p> <p>Outstanding Put back until new team member in post</p> <p>Outstanding</p>	<p>Service Manager-Looked After Children and finance officer to review budget position.</p> <p>As above</p> <p>To be held in November as part of team day for 14+ team and Barnardo's Personal Advisor staff. Revised timescale - November 2014</p>

Risk/ Issue No.	Risk/Issue	Agreed Action Responsibility & Timescale	Current Status	Further Action Needed
3.	<p>Until legislation is provided in respect of the Council's duty and responsibility to young people who present themselves as homeless (under the Southwark Judgement agreement) there is a need for interim guidance on the financial support that is to be provided.</p> <p>All social workers dealing with the individuals will need to be aware of its content and to adhere to it when making payments.</p>	<ul style="list-style-type: none"> Interim policy and guidance to be rewritten / updated and shared with all relevant staff. Service Manager–Looked After Children – April 2014 Further revision to procedures to be made to reflect any changes to the payment process (resulting from the work in Issue 1 above) Service Manager–Looked After Children – After the completion of the payment process review. 	<p>In progress Update of interim policy – Completed with exception of RM adding a policy position statement</p> <p>Outstanding</p>	<p>To be discussed at Southwark Judgement implementation group and members of Housing Services. Revised timescale – December 2014</p>
4. Page 90	<p>The service should consider setting up an agreement with the care leaver to ensure that they have a responsibility to declare a change of circumstances to their Personal Advisor or Social Worker as and when their circumstances change, e.g. when DWP benefits become payable, to mitigate the risk that the service may continue to make payments indefinitely</p>	<ul style="list-style-type: none"> Work in progress - DCC, DWP and Barnardo's are currently working on a three-way confidentiality agreement that will allow certain information to be disclosed (i.e. benefit start dates). This will be followed by work on an agreement where the Care Leaver can apply for benefit six weeks prior to their 18th birthday and payment to be made soon after their 18th birthday. This will eradicate the need for a balance or a compromise in our corporate parenting 'moral' duties and ensure that we are more aware of a young person's change of circumstances. Practice Leader – May 2014 A form for the care leaver will also be devised where they agree to inform of change of circumstances. Practice Leader – May 2014 	<p>Completed Agreement in place and in use.</p> <p>Completed Form in place and in use.</p>	<p>Monitor the use of the agreement via Supervision and file audits.</p> <p>Monitor the use of the form via Supervision and file audits.</p>

Corporate Governance Committee Forward Work Programme

28 Jan 2015		Standing Items	
	1	Issues Referred by Scrutiny Committees	Scrutiny Coordinator, Rhian Evans
	2	Recent External Regulatory Reports Received	Head of Business, Planning and Performance, Alan Smith / Keith Amos
	3	Internal Audit Progress Report	Head of Internal Audit Services, Ivan Butler / Cllr Julian Thompson-Hill
	4	Feedback on Corporate Equality Meeting – verbal report	Councillors Martyn Holland / Hugh Evans
	5	Forward Work Programme	
		Reports	
	6	Budget Process 2015/16	Head of Finance & Assets, Paul McGrady
Page 93	7	Treasury Management Strategy Statement and Prudential Indicators 2015/16	Head of Finance & Assets, Paul McGrady
	8	Treasury Management Annual Report 2014/15	Head of Finance & Assets, Paul McGrady
	9	Arm's Length Companies - Update	Head of Internal Audit Services, Ivan Butler
	10	New Model Constitution Report	Head of Legal, HR and Democratic 11Gary
	11	CSSIW Report	Director of Social Services, Nicola Stubbins
	12	Annual Internal Audit Assurance Plan – Self Assessment	Head of Internal Audit Services, Ivan Butler
25 March 2015		Standing Items	
	1	Issues Referred by Scrutiny Committees	Scrutiny Coordinator, Rhian Evans
	2	Recent External Regulatory Reports Received	Head of Business, Planning and Performance, Alan Smith / Keith Amos
	3	Feedback on Corporate Equality Meeting – verbal report	Councillors Martyn Holland / Hugh Evans
	4	Forward Work Programme	

Corporate Governance Committee Forward Work Programme

		Reports	
	5	Budget Process 2016/17	Head of Finance & Assets, Paul McGrady
	6	Governance Improvement Plan	Head of Internal Audit, Ivan Butler
	7	Internal Audit Strategy	Head of Internal Audit, Ivan Butler
	8	Reports of Complaints Received	Head of Customers & Education Support / J. Walley
	9	Information Management Strategy, Freedom of Information Report	Corporate Information Manager / Craig Berry
	10	Corporate Governance Committee – Terms of Reference Update	Head of Legal, HR and Democratic Services, Gary Williams
20 May 2015		Standing Items	
Page 94	1	Issues Referred by Scrutiny Committees	Scrutiny Coordinator, Rhian Evans
	2	Recent External Regulatory Reports Received	Head of Business, Planning and Performance, Alan Smith / Keith Amos
	3	Internal Audit Progress Report	Head of Internal Audit, Ivan Butler / Cllr Julian Thompson-Hill
	4	Feedback on Corporate Equality Meeting – verbal report	Councillors Martyn Holland / Hugh Evans
	5	Forward Work Programme	
		Reports	
	6	Budget Process 2016/17	Head of Finance & Assets, Paul McGrady

NB The exact date of publication of occasional reports by for example Wales Audit Office or Annual Reports by the Ombudsman are not presently known. They will be assigned a meeting date as soon as practicable.

Corporate Governance Committee Forward Work Programme



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