



Review of progress in addressing the Corporate Assessment and Corporate Assessment Follow-up recommendations

Newport City Council

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Status of report

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Contents

The Council has made progress against all the recommendations made in our Corporate Assessment follow-up report, but some further work remains to ensure these are addressed fully

Summary report

The Council has made progress against all the recommendations made in our Corporate Assessment follow-up report, but some further work remains to ensure these are addressed fully	5
--	---

Recommendations	7
-----------------	---

Proposals for improvement	8
---------------------------	---

Detailed report

There has been a good demonstration of collective leadership in responding to our corporate assessment findings and other challenges facing the Council	9
---	---

The Council has arrangements in place to address, monitor and report our recommendations, although more active challenge and discussion of progress at Cabinet would strengthen these arrangements	10
--	----

The quality of information provided to Members to enable them to challenge and take decisions has improved, but scope remains to ensure this is consistent	12
--	----

The Council has started to improve its governance arrangements, however, the value of scrutiny is not yet being maximised	13
---	----

The Council has strengthened its financial arrangements, but more work is required to deliver a balanced medium-term financial plan and to improve the clarity of financial information reported to Members	20
---	----

The Council does not yet have a strategic approach to workforce planning, but the results of its recent employee engagement survey show that the Council has increasingly engaged employees, which provides it with good foundations to strengthen its workforce planning	25
---	----

The Council has addressed our recommendation to collect and publish data on Final Special Educational Needs Statements issued within 26 weeks (EDU/015a) in line with the national prescribed definition	29
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Appendices

Corporate Assessment Follow-up recommendations

30

Summary report

The Council has made progress against all the recommendations made in our Corporate Assessment follow-up report, but some further work remains to ensure these are addressed fully

1. In September 2013, the Auditor General published his report on the full Corporate Assessment at Newport City Council (the Council). This report concluded at that time 'the Council is at a pivotal point as it begins to address longstanding weaknesses in arrangements that underpin improvement and, with wider ownership and strengthened capacity, it has the potential to achieve the scale and pace of change required'. The Corporate Assessment report made six Statutory Recommendations and seven Proposals for Improvement.
2. During November and December 2014, we reviewed the progress that the Council had made in implementing the recommendations and proposals for improvement made in our Corporate Assessment. We found that the Council had made improvements in some aspects of its arrangements, however, in other areas the scale and pace of change required had not been achieved, and longstanding governance weaknesses remained. We came to this conclusion in 2014 because:
 - longstanding governance weaknesses still remained, and there was a lack of collective leadership between Members and officers to drive improvement;
 - financial management arrangements had improved, but medium-term financial plans needed to be developed in more detail so they are balanced over a longer timeframe and some capacity issues in the finance department needed to be addressed if improvements were to continue;
 - progress in resolving weaknesses in people management arrangements was evident and plans were in place to begin addressing workforce planning issues, however, initiatives to reduce staff sickness required further evaluation;
 - the Council had made progress in addressing our recommendations on ICT, but there were still weaknesses in some governance arrangements and uncertainty on its plans for continuity should an unforeseen event occur; and
 - there had been some enhancements to the Council's improvement planning and performance management arrangements, but the scrutiny of performance was not sufficiently challenging to consistently drive improvement.
3. At the time, we found that two of the statutory recommendations that were made in the original Corporate Assessment report of September 2013 were still applicable. We updated four other statutory recommendations to reflect the Council's progress since then. In addition, we added two new statutory recommendations. The full list of recommendations is listed in [Appendix 1](#).

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4. As part of our 2015 Audit Plan, we identified that we would assess the Council's progress in implementing recommendations from our previous work. As part of this progress review, we stated we would seek assurance that the Council had appropriate corporate processes for responding to our reports, tracking implementation of our recommendations, and reporting this to the appropriate committee. We said we would do this by undertaking specific follow-up work to determine progress in addressing the recommendations made in our Corporate Assessment and its Follow-up.
 5. During February and March 2016, we assessed the Council's progress in addressing our recommendations. Other work we have undertaken at the Council in 2015-16 also informed our assessment. This included our reviews of data quality, financial resilience and waste management. We found that the Council has made progress against all the recommendations made in our Corporate Assessment follow-up, but some further work remains to ensure these are addressed fully.
 6. We came to this conclusion because:
 - there has been a good demonstration of collective leadership in responding to our corporate assessment findings and other challenges facing the Council;
 - the Council has arrangements in place to address, monitor and report our recommendations, although more active challenge and discussion of progress at Cabinet would strengthen these arrangements;
 - the quality of information provided to Members to enable them to challenge and take decisions has improved but scope remains to ensure this is consistent;
 - the Council has started to improve its governance arrangements, however, the value of scrutiny is not yet being maximised;
 - the Council has strengthened its financial arrangements, but more work is required to deliver a balanced medium-term financial plan and to improve the clarity of financial information reported to Members;
 - the Council does not yet have a strategic approach to workforce planning, but the results of its recent employee engagement survey shows that the Council has increasingly engaged employees, which provides it with good foundations to strengthen its workforce planning; and
 - the Council has addressed our recommendation to collect and publish data on Final Special Educational Needs Statements issued within 26 weeks (EDU/015a) in line with the national prescribed definition.

Recommendations

7. The recommendations made in our Corporate Assessment follow-up are set out in [Appendix 1](#). We feel some further work is needed by the Council to address the following recommendations fully.

R1 The Council should ensure that Members are routinely and transparently considering robust information at the earliest opportunity to enable them to inform, take, and challenge choices and decisions effectively, and ensure that decisions are recorded and reported transparently.

R2 The Council should address with more urgency the weaknesses in its governance arrangements that underpin its decision making to support improvement. This would include:

- strengthening committee work programming arrangements to ensure they are timely, meaningful, informative, transparent, balanced, monitored, and joined up;
- reviewing and updating the Council's constitution ensuring that roles, responsibilities and accountabilities are clear, and that all Members understand and apply their respective roles in relation to each other without compromising independence;
- empowering Members to be more proactive and accountable for their roles and responsibilities;
- strengthening scrutiny arrangements to more effectively inform and challenge policies, options, decisions and actions, and hold Cabinet Members, officers, partners and others to account more robustly to drive an increased pace of progress and improvement; and
- strengthening and mandating member and officer development and learning programmes based on competency assessments to improve skills and understanding to enable them to undertake their roles more effectively.

R4 The Council must continue to develop its people management arrangements, to ensure it has the capacity and capabilities necessary to change and improve. In doing so, it should:

- continue to develop its draft Workforce Plan and associated action plans by, for each action: allocating responsibility to an officer and setting a deadline for completion; and
- in the absence of a formal approach to 360-degree feedback for all staff, address manager inconsistency in carrying out appraisals and ensure all staff receive a constructive and developmental appraisal to support job performance.

R5 To strengthen the arrangements that enable the Council to scrutinise its improvement objectives. In doing so, the Council should:

- Enable Members to effectively challenge and scrutinise service performance:
 - ensure that meeting agendas allow for sufficient time for Members to focus on (broad) underperformance ; and
 - provide training on effective challenge and scrutiny for Members.

Proposals for improvement

8. We have also made some proposals for improvement in our waste, financial resilience and data quality review reports, which are relevant to this review. In addition, set out below are some further proposals for improvement.

The Council should:

- P1 Provide Cabinet with a more detailed update of progress in addressing our Corporate Assessment and its Follow-up recommendations to facilitate more active discussion and challenge of progress.
 - P2 Review the timespan for completion of return to work interviews.
 - P3 Review whether it has appropriate capacity and capability within its People and Business Change service area to strengthen workforce planning.
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Detailed report

The Council has made progress against all the recommendations made in our Corporate Assessment follow-up report but some further work remains to ensure these are addressed fully

There has been a good demonstration of collective leadership in responding to our corporate assessment findings and other challenges facing the Council

9. There has been a good demonstration of collective leadership at the Council during 2015-16 and some notable achievements for the Council. This includes the opening of Friars Walk, the new shopping and leisure scheme in the City Centre in November 2015 and the signing of a £1.2 billion City Deal across the Cardiff Capital Region in March 2016.
10. Officers and Members interviewed as part of our review were able to provide a number of examples where the Council had demonstrated collective leadership. These include the Leader and Chief Executive presenting together at the Newport on the Rise and City Deal events; and the City Regeneration joint officer and Cabinet sub-group; as well as Cabinet and Senior Leadership Team working together on the 2016-17 budget, and addressing the challenges facing the Duffryn Welsh Medium School proposal.
11. Our review also found that officers and Members have demonstrated collective ownership for addressing our Corporate Assessment follow-up recommendations. The relationship between Scrutiny and Cabinet has improved, and this can be attributed in part to the quarterly meetings between scrutiny chairs and the Cabinet.
12. Officers and Members have a close working relationship. Heads of Service regularly attend scrutiny committee meetings and meet with Cabinet Members on a fortnightly basis.
13. Newport 2020 sets out the future challenges and provides a future direction for the Council, building on the ward profile work already undertaken. The Council's senior management recognises that the Council needs to review its future approach to service delivery and to embrace the opportunities for transformation and digitalisation. The Chief Executive is now chairing the Council's New Ways of Working group, and management is exploring opportunities for innovation.
14. A new Council Leader has recently been appointed. She has quickly communicated her priorities for the Council and appointed Cabinet Members. Following the resignation of the Director of Place, the Council also now needs to consider its senior management options. Together, this provides an opportunity for the Council to strengthen its collective leadership further.

The Council has arrangements in place to address, monitor and report our recommendations, although more active challenge and discussion of progress at Cabinet would strengthen these arrangements

15. Following the publication of our Corporate Assessment follow-up report in May 2015, the Council updated its Corporate Assessment action plan setting out a series of actions to address each of the recommendations made in our Corporate Assessment follow-up. The action plan sets out Cabinet Member and officer responsibilities, and timescales for completion.
16. Cabinet and senior management jointly presented the action plan to representatives from the Wales Audit Office in October 2015. The Council also engaged with the Welsh Local Government Association in the development of the action plan. Cabinet approved the action plan in November 2015.
17. The Council has identified arrangements for monitoring progress against recommendations and proposals for improvement made by the Wales Audit Office and the Council's key external regulators, including progress against the Council's Corporate Assessment action plan.
18. The Council's Corporate Assessment action plan updates are considered at officer and member forums, specifically:
 - reported to Cabinet every quarter;
 - discussed at Corporate Management Team and Senior Leadership Team monthly;
 - reported to Audit Committee twice a year;
 - actions are reflected in relevant service plans which are reviewed twice a year by Scrutiny;
 - the Cabinet Member briefing template includes a section on regulatory recommendations and Cabinet Members are updated on progress at their fortnightly briefings; and
 - scrutiny related recommendations are monitored and progressed through the Scrutiny Improvement Group.
19. There was consensus amongst those Members and officers interviewed as part of this review that the Council had made progress in addressing our recommendations. Both emphasised that the Council had established relevant processes and procedures, and they accept that the Council now needs to embed these.
20. The Corporate Assessment action plan was reported to Cabinet in December 2015 and March 2016. At both meetings, the action plan was included as an appendix to the 2015-16 Improvement Plan updates.
21. We observed the Cabinet meeting on 14 March 2016. Cabinet did not discuss progress against its Corporate Assessment action plan set out in the appendix. The appendix did not clearly highlight progress or identify corrective actions and next steps.

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- 22.** We reviewed the Council's evaluation of progress against its Corporate Assessment action plan as set out in the appendix to the Improvement Plan 2015-16 quarter three update. We found that of the 50 plus actions identified by the Council to address our recommendations, about 50 per cent were identified as in place or completed. However, the appendix did not contain a detailed update of progress. The Council has not provided any detail for those actions in its Corporate Assessment action plan which it has not completed in line with the timescales identified and agreed by Cabinet in November 2015. For instance, the Council identified that it would develop an organisational development strategy by November 2015, but the progress update to Cabinet in March did not provide any commentary for this.
 - 23.** The Council has not identified progress against the Council's Corporate Assessment action plan as a specific item on the Cabinet's 2016-17 work programme.
 - 24.** The Corporate Assessment action plan was included as part of a report to the Audit Committee on 26 March 2016, which provided an update on the regulatory reports received by the Council. However, this report also lacked a detailed update of progress. This is in contrast to the progress updates previously provided to the Audit Committee on the original Corporate Assessment recommendations.
 - 25.** Scrutiny committees receive brief updates on progress against those Corporate Assessment recommendations, which are relevant to their remits but full Council does not receive progress updates against the Council's Corporate Assessment action plan. However, as Cabinet papers are available on the Council's website, papers including the Corporate Assessment action plan are available for all Members and Members of the public to view.

The quality of information provided to Members to enable them to challenge and take decisions has improved, but scope remains to ensure this is consistent

- 26.** In our Corporate Assessment Follow-up report published in May 2015, we made the following recommendation:
- ‘The Council should ensure that Members are routinely and transparently considering robust information at the earliest opportunity to enable them to inform, take, and challenge choices and decisions effectively, and ensure that decisions are recorded and reported transparently. This includes the consideration of:
- Options appraisals.
 - The implications of the options, recommendations and decisions.
 - Fully costed business cases prior to initiating major programmes to support change. The financial impact of any significant proposed service changes should be reflected in medium-term financial plans directly where the change is certain to proceed, or as a sensitivity if the change is not certain.’
- 27.** We have found that the Council has made reasonable progress in addressing this recommendation, but further work remains to address it fully.
- 28.** The Council has improved the format of its reports. The report template includes detailed sections to prompt officers to include budget breakdowns, risk assessment and consideration of the Council’s priorities and policies. It also quotes our recommendation to remind officers to include all options to be considered when seeking a decision. Our review of a sample of reports found that they contained options for Members to consider and recommended a specific option and this was a key improvement.
- 29.** The quality of the reports we reviewed varied. The better examples used the template to its full potential, which made the reports easy to understand and allowed Members to focus on the key issues, and the appended information was clear and concise. We also reviewed reports where the information was not presented in a way that allowed Members to consider the information fully or easily. For example, large volumes of data were presented without analysis.
- 30.** Our recent waste review also identified a number of examples of inaccurate performance information reported to Members. This does not facilitate effective management and monitoring of performance. Providing accurate and clear information to Members is vital to enable them to make appropriate and informed decisions and to challenge performance effectively. We have issued a separate report to the Council following our waste review.
- 31.** Generally, Members thought the reports they receive are of a good quality, although they sometimes felt the reports are unnecessarily long and not written in plain English. All Council reports are in the public domain and should be easily accessible and clear to Members and the public alike. The Council needs to consider how it can improve the quality and consistency of reports, and to adopt a plain English policy for public documents.

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32. The Council has refined its quality assurance process for Cabinet and decision-making reports. The Head of Finance, Monitoring Officer, relevant director, and the Senior Leadership Team review such reports. Senior officers informed us that because of this quality assurance process, reports that are deemed to be of insufficient quality are withheld and returned to the officer for improvement. The quality assurance process does not apply to reports going to scrutiny committees; our review of a sample of scrutiny reports suggests this is necessary.
 33. The Council also now has a separate Cabinet Member briefing template, which officers use for fortnightly Cabinet Member briefings. This facilitates a consistent approach across the organisation with standard items including updates against savings plans and progress against statutory recommendations. Cabinet Members and officers welcomed the consistent approach now being used.
 34. The Council has updated its business case template. Our 2015 Financial Resilience review found that the level of detail contained in the business cases for 2016-17 is much improved on prior years, but they are not yet consistently robust. Mechanisms are in place to challenge the quality of draft business cases before the Council publishes them, and it has a business improvement team that provides ongoing support and challenge to directorates on the development of business cases. Nevertheless, the Council recognises that there is scope to improve the quality of the business cases further.

The Council has started to improve its governance arrangements, however, the value of scrutiny is not yet being maximised

The effectiveness of scrutiny is improving but the pace of improvement has been slow

35. In our Corporate Assessment Follow-up we recommended that, 'The Council should address with more urgency the weaknesses in its governance arrangements that underpin its decision making to support improvement. This would include:
 - strengthening committee work programming arrangements to ensure they are timely, meaningful, informative, transparent, balanced, monitored, and joined up;
 - reviewing and updating the Council's constitution ensuring that roles, responsibilities, and accountabilities are clear, and that all Members understand and apply their respective roles in relation to each other without compromising independence;
 - empowering Members to be more proactive and accountable for their roles and responsibilities;
 - strengthening decision-making arrangements to ensure transparency and appropriate safeguards are in place;

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- strengthening scrutiny arrangements to more effectively inform and challenge policies, options, decisions and actions, and hold Cabinet Members, officers, partners and others to account more robustly to drive an increased pace of progress and improvement;
 - strengthening and mandating member and officer development and learning programmes based on competency assessments to improve skills and understanding to enable them to undertake their roles more effectively; and
 - addressing information security and business continuity arrangements.'
- 36.** Our review has found that the Council is beginning to address our recommendation to strengthen scrutiny, and the effectiveness of scrutiny has improved but the status and value of scrutiny remain limited. The majority of the Council's actions to address our recommendations are considered to be 'ongoing throughout the year' and do not have defined timescales for completion. The Council recognises that it needs to undertake further work to strengthen scrutiny.
- 37.** The creation of the Council's Scrutiny Improvement Group underlines the Council's commitment to improve scrutiny. The group provides a good mechanism to consider how scrutiny can be strengthened. It has a clear improvement agenda set out in the group's terms of reference and detailed scrutiny improvement action plan. The group consists of all scrutiny chairs and two other representatives from each scrutiny committee. Both Members and officers interviewed as part of our review agreed that scrutiny has improved over the past year.
- 38.** Pre-meetings are now taking place before scrutiny committee meetings, providing an opportunity for Members to structure questions and focus on key areas.
- 39.** Scrutiny involvement in policy development has improved particularly through the use of Policy Review Groups (PRGs). Members and officers cited a number of examples of PRGs to support this, such as the ICT review group. It is also evident that scrutiny committees are now more engaged in the consideration of the Council's improvement objectives.
- 40.** As part of this review, we observed the meetings of the Council's three scrutiny committees during February 2015. In general, we saw strong chairing skills and there was generally good challenge of the agenda items, which included the draft Improvement Plan 2016-2018. However, it was evident that the Council still needs to strengthen the work programming of its scrutiny committees as Members did not have sufficient time to consider all the agenda items in detail at the meetings we observed.

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41. Discussing the work programme is a standing agenda item on all scrutiny committee meeting agendas. Two of the three scrutiny committees discussed their work programme at their meetings in February 2016. The Street Scene, Regeneration and Safety Committee did not discuss their work programme because they ran out of time; neither did the scrutiny committee discuss the work programme at its meeting in January 2016. This supports our view that the Council needs to continue to strengthen its scrutiny work programming and how it is co-ordinated with the Cabinet and Council work programme to ensure timely input and challenge to key decisions by each relevant scrutiny committee. It is encouraging that the Council is developing composite work programmes to align with scrutiny and Cabinet work programmes.
 42. Officers consider that the Street Scene, Regeneration and Safety Committee provides a good level of challenge. Our observations found that the Street Scene, Regeneration and Safety Committee was better at challenging than the other scrutiny committees, but it needs to be more organised and proactive to ensure timely input and challenge to key decisions. The Council is sensibly using this scrutiny committee to champion scrutiny improvement.
 43. The Council has a decision-making tracker where the Council can log key decisions, including those made by Cabinet Members and officers via their delegated authority. This tracker is available on the Council's website. However, the online decision tracker is not user friendly and Members and officers have mixed awareness and understanding of it. Members tend to rely on the emails they receive notifying them of decisions taken.
 44. There is also a lack of clarity of ownership and responsibility for recording decisions on the tracker. The Council is not using the tracker consistently to record decisions. For example, there have been no officer-delegated decision recorded on the tracker and we noted that some Cabinet Member decisions were recorded a few months after the decision had been taken. The Council needs to assure itself that it records and publishes its decisions in a timely manner and in line with the Local Government Act so that such decisions can be open for call-in by scrutiny as required.
 45. In our Corporate Assessment follow-up report, we also recommended that the Council strengthened and mandated member and officer development and learning programmes based on competency assessments to improve skills and understanding to enable them to undertake their roles more effectively. Members interviewed as part of our review spoke positively about their induction, but said they had received little training since. The Council has not mandated member and officer learning and development programmes.
 46. The Council's Corporate Assessment action plan to address our scrutiny related recommendations states that 'Personal Development Plans for all Scrutiny Members were due to be completed by April 2016.' However, the Council has not yet done this.

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47. It is positive that the Council has developed a programme of seminars for Members, which contains updates on new policies and legislation, plus updates from partners, for example registered social landlords and the health board. Since October 2015, the Council has held three seminars, but member attendance is variable.
 48. The Council is in the process of reviewing its constitution and this was scheduled to be completed by April 2016. The Council's Democratic Services Committee has been engaged in this process. We understand the Council is also currently reviewing its scheme of delegation to clarify lines of responsibility and accountability but that this has been put on hold pending the outcome of the report on senior officers' pay, which is due to be considered by the Council in June. The Council would also benefit from clarifying the roles and distinctions between the Corporate Management Team and Senior Leadership Team.

There are sound arrangements in place to monitor progress of improvement objectives at a Cabinet and officer level, but there remains insufficient oversight by Scrutiny to address poor performance in a proactive and timely way

49. In our Corporate Assessment follow-up report, we recommended that the Council should 'strengthen the arrangements that enable the Council to scrutinise its improvement objectives. In doing so, the Council should:
 - Enable Members to effectively challenge and scrutinise service performance:
 - clarify the respective roles of the performance board and scrutiny;
 - ensure that meeting agendas allow for sufficient time for Members to focus on (broad) underperformance in both; and
 - provide training on effective challenge and scrutiny for Members.
 - Improve target setting to better reflect the service/performance standards the Council wants to achieve.'
50. We made a similar recommendation in our Corporate Assessment report of 2013 that the Council should 'Put in place arrangements that enable the Council to formulate, scrutinise, approve, and publish its improvement objectives in a timely way to meet its statutory obligations under the Measure.'
51. Our recent review found that the Council has made some progress in addressing our recommendation and it recognises that it needs to undertake further work to strengthen arrangements to scrutinise its improvement objectives. It has started to take steps to do this, but progress has been slow.
52. Improvement plan updates are reported quarterly to Cabinet, the Change and Efficiency Board, Portfolio Boards, and previously to the Performance Board, which has recently been disbanded by the Council. These updates include progress against improvement objectives. Cabinet Members also receive updates at their fortnightly briefings with heads of service.
53. These reporting and monitoring arrangements are contributing to an improving picture of performance. The Council's performance in 2014-15 against the National Strategic Indicators and the Public Accountability Measures shows that the Council's

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- improvement was the third best in Wales. The Council performed better in 71 per cent of the indicators in 2014-15 compared to its performance in 2013-14. The Council performed worse in 26 per cent of the indicators and stayed the same for two per cent of the indicators. The Council was amongst the better performing Welsh councils for 19 per cent of the indicators and amongst the poorer performing councils for 31 per cent of the indicators.
54. The Council improved its performance in seven of the 11 education measures in 2014-15 but when compared to other Welsh councils, its performance was below average in nine of the 11 indicators and average or above in two. The Council's performance in the children's social care indicators improved in nine of the 11 indicators in 2014-15 from its reported performance in 2013-14. Its relative performance when compared to other Welsh councils, shows that in 2014-15 Newport was ranked at the Welsh average or above for five of the 11 indicators and below the Welsh average for the remaining six indicators in 2014-15.
 55. The Performance Board, which comprises Members of the Cabinet, focuses on performance of two improvement objectives at each of its meetings. This enables the Performance Board to undertake a more thorough examination of performance and to challenge officers and Cabinet Members about performance. Cabinet Members felt that the Performance Board was having a positive impact on performance citing the examples of improvements in reducing delayed transfers of care and timeliness of provision of disabled facilities grants.
 56. As part of this review, we observed the meeting of the Performance Board in March 2016. We found there was good discussion of performance, and officers presented a candid picture of performance. There was rigorous challenge of officers and Members for performance.
 57. Cabinet and most officers interviewed as part of this review were clear of the distinction between the Performance Board and scrutiny, stating that the Performance Board facilitated Cabinet Member accountability and an opportunity for an in-depth review of performance in a non-public forum. Conversely, scrutiny provided a more high-level review of service performance in a public setting. However, scrutiny Members and other officers remained unclear of the difference in the roles of Performance Board and Scrutiny.
 58. The Council has not yet formally clarified the roles of the Performance Board and Scrutiny as we recommended in our Corporate Assessment Follow-up. The Council's Corporate Assessment action plan states that it will complete this by the end of the 2015-16 financial year.
 59. There are no formal terms of reference for the Performance Board. The roles and responsibilities of the Performance Board are not set out in the Council's constitution and are not available on the Council's website.
 60. Since our fieldwork, the Council has disbanded the Performance Board. The Council has informed us that work is in progress to redistribute the work of the Performance Board and a report that sets out the new proposed performance management reporting framework will be considered by Cabinet. As part of this work, we would urge

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- the Council to strengthen the role Scrutiny plays in managing performance and to hold Cabinet to account for performance.
61. The Council's constitution states that one of the roles of scrutiny committees is to 'Monitor the performance and success of services and the outcomes of policies.' However, progress against improvement objectives is only reported to scrutiny committees every six months through the service plan reviews. This is too infrequent to allow enough time to address areas of underperformance or inaccuracies. There are examples where scrutiny committees look at performance outside of the mid-year service plan review. For example, the Learning, Caring and Leisure Scrutiny Committee has considered the Key Stage results and school categorisation. Nevertheless, we are of the view that whilst improved, scope remains to improve scrutiny committees' ability to fulfil their role and to effectively challenge and scrutinise progress against improvement objectives.
 62. Waste and recycling performance is a good example where greater oversight of performance by scrutiny would have been beneficial. Waste and recycling is currently one of the Council's Improvement Objectives. However, our waste review, undertaken in spring 2016, found that that the Street Scene, Regeneration and Safety Scrutiny Committee does not receive regular waste and recycling performance reports other than the mid and end-of-year service plan reviews. We concluded that 'The Council has not used its governance and performance management arrangements effectively to improve performance, but more recently, the Street Scene, Regeneration and Safety Scrutiny Committee has shown that if it becomes more organised and proactive in challenging performance in a timely way, it has the potential to play a key role in driving improvement.'
 63. Our waste review also found examples of targets having been changed without following the Council's agreed target setting process, and of targets being incorrectly reported.
 64. The Council's Improvement Plan 2015-16, approved by the Council on 28 April 2015, and the Street Scene and City Services service plan 2015-16, approved by the former Cabinet Member for Street Scene and City Services on 7 July 2015, state that the target for the percentage of municipal waste sent to landfill for 2015-16 is 25 per cent. (The lower the percentage, the better the performance.) Despite there being no formal request to change this target, the Council's mid-year performance analysis report to the Council's Performance Board on 9 December 2015 stated the target was 36 per cent, a nine percentage point difference from the approved target. The report goes on to state that the actual performance of 30 per cent was better than the non-approved target and was RAG (Red, Amber, Green) rated as Green. This is misleading, as the performance did not meet the approved target of 25 per cent. This inaccurate reporting was also included in the performance report considered by the Council's Change and Efficiency board and Cabinet meetings in December 2015.
 65. The Council informs us these errors were due to software problems and server failures but given that these are key targets, we would expect officers to have quickly realised that incorrect figures had been included in draft reports and taken action to amend these, particularly if performance information is regularly considered at other

performance mechanisms, such as the Place Portfolio Board. The correct figure has been included in end of year reporting.

66. This type of error does not facilitate effective management and monitoring of performance. Providing accurate and clear information to Members is vital to enable them to make appropriate and informed decisions and to challenge performance effectively. In these examples, inaccurate information led to incorrect evaluations of performance. These errors undermine assurance that the Council's data quality arrangements are sufficiently robust to inform effective decision-making and scrutiny. However the Council is working to correct these issues and ensure more robust and up to date data is reported. We understand that the Council is currently in the process of implementing new performance management software, which will alter the way the Council reports performance information. The new system will also enable the Council to strengthen its controls over the setting and changing of targets. Such improvements are much needed.

The Council is introducing a new protocol to facilitate greater Cabinet Member accountability

67. The relationship between Scrutiny and Cabinet is stronger; scrutiny chairs now meet quarterly with the Cabinet. The Council has taken steps to increase Cabinet Member attendance at scrutiny. The Council has agreed that Cabinet Members will now attend scrutiny for mid-year service plan reviews. This is a step forward for the Council and Cabinet Members are becoming more comfortable with their roles and recognition of their accountability. However, at the moment, aside from this, Cabinet Members do not frequently attend scrutiny committee meetings.
68. It is, therefore, positive that the Council has recently developed a protocol that clarifies roles and accountabilities for both scrutiny and Cabinet Members. This explicitly sets out when scrutiny committees can invite Cabinet Members to attend scrutiny meetings and what the role of the Cabinet Members will be. The Council has not yet formally approved the protocol and the timescales to do this are unclear. If implemented well, the protocol represents a key step forward and gives scrutiny committees more opportunity to challenge and hold Cabinet Members to account.

The Council has taken steps to improve its information and business continuity arrangements but recognises that this remains an area for improvement and is exploring options to rectify this

69. The Council has made progress in addressing our recommendation to address information security and business continuity arrangements.
70. Our 2015 Information Management and Governance follow-up review highlighted that one person held the roles of Senior Information Risk Owner (SIRO), Head of Customer and Information Service, and chaired the Information Governance Group. The same person overseeing both scrutiny and service delivery presented a conflict of interest. This issue has now been resolved. The Director of Place rather than the SIRO now chairs the Information Governance Group and the SIRO is the Head of Law and Regulation.

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71. In December 2015, the Council undertook an IT disaster recovery test and the outcome was reported to the Senior Leadership Team. The Council has prioritised its business critical systems but it recognises that it needs to review this prioritisation as it has identified most systems as high priority.
 72. The issue that both of the Council's server rooms, which regularly back up the Council's critical systems, are in the same building remains; the Council still does not have off-site server facilities available to restore its systems. However, the Council is exploring options for putting in place duplicate server arrangements. It has also recently agreed in principle to develop a business case to join the Shared Resource Service (SRS)¹. This would help resolve the back-up and systems recovery problem. The Council is currently getting support from a consultant to develop the business case to join the SRS.
 73. The Council's implementation of its Total Reward scheme in 2014-15, which aimed to address equal pay issues, has had an impact on the recruitment and retention of skilled IT staff at the Council. The Council is currently obtaining additional capacity through an arrangement with the SRS. It is timely, therefore, that the Council is considering its options for its future IT services.
 74. Our 2015 Information Management and Governance follow-up review found the Council has a good record of responding to information security breaches and reporting these to the Information Commissioner's Office (ICO) and had increased training and awareness of information security. However, the Council had another significant information security breach in November 2015 that it reported to the ICO. This is the third significant information security incident in the past three years. The Council has examined the issue themselves and reviewed its arrangements. It is co-operating with the ICO and is currently awaiting the outcome of the ICO's review.

The Council has strengthened its financial arrangements, but more work is required to deliver a balanced medium-term financial plan, and to improve the clarity of financial information reported to Members

75. The Council has made reasonable progress in addressing our recommendation made in our Corporate Assessment and Corporate Assessment follow-up reports to ensure that its arrangements for strategic financial planning and management continue to develop to meet the significant challenges that are being faced by ensuring that:
 - robust savings plans are developed in more detail to meet the projected budget shortfall for 2015-16 and to support the delivery of a meaningful medium-term financial plan;
 - sufficient challenge is applied to ensure that savings/investment plans are delivered and any budget overspends are highlighted and addressed by early intervention;

¹ SRS is a collaboration between Torfaen County Borough Council, Monmouthshire County Council and Gwent Police to deliver shared IT services to the three organisations. Blaenau Gwent County Borough Council is also in the process of joining the collaboration.

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- financial plans provide clear links to improvement objectives and service plans; and
 - sufficient finance staff (both centrally and within individual departments) with appropriate skills and experience are in post to support the development and delivery of future plans.

76. During 2015-16, we undertook a review of financial resilience at each of the councils in Wales. We have issued the Council with our report on financial resilience. This provides further detail about our findings. Set out below is a summary of the findings of our financial resilience report for Newport Council.

The Council's medium-term financial plan is not yet fully balanced and supported by a clear formalised reserves policy

- 77.** The Council has strengthened some of its financial planning arrangements. This includes the development of a clear vision through its future service delivery strategy Newport 2020, improvements to its medium-term financial plan (MTFP), greater transparency about its reserves, and more detailed business cases.
- 78.** The MTFP includes key components, such as savings plans, the level of Council Tax, and the use and maintenance of reserves. However, the Council needs to set out clearly how these components are linked and utilised so that the MTFP is clearly articulated and understood. A formal reserves policy is key to this, coupled with clear statements on statutory service provision and the delivery of its corporate priorities.
- 79.** The Council's MTFP makes reference to 'Prospectus for Change' and 'Newport 2020', but the extent to which the Council's priorities have influenced the MTFP and the identification of savings proposals needs to be clearer. The 2016-17 budget and MTFP discussed by Cabinet in February 2016, simply states: 'In drawing up budget proposals, due regard has been given to key Council policies and priorities.' The business case template does not include a section relating to the Council's priorities. We understand that the Council has developed plans showing the level of resources for each of its 2016-17 improvement objectives. Whilst the development of plans for each of its improvement objectives is a step forward, we believe that further work is required to address our recommendation fully to ensure that financial plans provide clear links to improvement objectives and service plans.
- 80.** Until 2015, the Council's approach had been to focus on balancing the first year of the MTFP with a high level consideration of the next three years. The Council's MTFP has, therefore, not been fully balanced over the period of the plan. Following the Comprehensive Spending Review in autumn 2015 and a more positive settlement from the Welsh Government than had been anticipated, the Council's Cabinet reviewed and updated its MTFP in February 2016. It sets out the financial gap for each of the four years and previously agreed savings proposals for future years together with savings proposals per directorate across the timeframe of the MTFP.
- 81.** The Council acknowledges that it has not yet developed detailed and fully costed savings plans to support its longer-term savings targets. This is a similar position to many other Welsh councils. As at February 2016, the focus is still predominately on

the 2016-17 annual budget (as the revenue support grant from the Welsh Government is set annually) and the Council's 2016-17 to 2019-20 MTFP does not yet constitute a fully detailed MTFP supported by robust business cases. We acknowledge that the lack of longer-term funding does not facilitate longer-term planning. Nevertheless, the updated MTFP is a positive step forward from what was essentially an MTFP with the first year balanced and subsequent years showing a financial 'gap'. There is good and early Cabinet Member involvement in the consideration of the Council's savings proposals, and whilst improved, business cases are not yet consistently robust

82. Cabinet Members are well engaged in the MTFP process. There have been a number of meetings between Cabinet and senior management to discuss the proposed savings plans.
83. The Council develops business cases for its savings proposals on an annual basis. Some of these proposals are planned to deliver savings beyond the first year and some over the medium term. It has recently agreed the savings proposals for 2016-17. The level of detail contained in the business cases for 2016-17 is much improved on prior years. The business case template includes sections on impact on citizens, impact on performance, staff, and high-level timescales and milestones.
84. Mechanisms are in place to challenge the quality of draft business cases before the Council publishes them and it has a business improvement team that provides ongoing support and challenge to directorates on the development of business cases. Nevertheless, the Council recognises that there is scope to improve the quality of the business cases by incorporating a specific reference to corporate priorities and ensuring that the quality of information included in the business cases is consistently clear and robust.

The Council has improved elements of its financial controls, which included a review of the unplanned underspend reported in 2014-15, but there is scope to improve its financial controls further

85. Budget reporting and monitoring take place at both a corporate and directorate level within the Council. There are quarterly budget monitoring reports to Cabinet and the Senior Leadership Team. Directors and Heads of Service also meet regularly with individual Cabinet Members.
86. The Council has established a Change and Efficiency Board and directorate portfolio boards. The position against the budget and savings proposals is monitored monthly through these mechanisms using a clear 'red amber green' (RAG) rated dashboard and highlight reports. Particular focus is placed on those areas under pressure, such as Social Services, which is currently forecasting a potential overspend. Our observation of the Change and Efficiency Board and the People Portfolio Board found that these mechanisms are sound and provide a strong basis to manage the Council's financial position. We observed robust challenge of savings proposals at risk of non-delivery, as well as consideration of the impact of savings on service users.

The Council has a track record of underspending against its annual revenue budget and arrangements are in place to review any significant underspends

87. The Council has a track record of underspending against its budget: £5.2 million in 2014-15; £4 million in 2013-14; and £3 million in 2012-13. These figures include the Council's annual revenue contingency fund, which equated to £2 million.
88. The Council achieved the overall level of savings required for 2014-15, but it has a mixed track record of delivering its cross-cutting savings plans. The June 2015 budget monitoring report to Cabinet specifically identified a shortfall in the delivery of cross-cutting savings of £1.1 million primarily attributable to the timings of the benefit realisation.
89. In respect of the 2014-15 position, the Council exceeded its planned outturn by £5.2 million with underspends across most directorates. The level of underspend was primarily due to a variance arising from the interest in respect of the Private Finance Initiative Scheme (£2 million) and the contingency fund (£2 million) which was not utilised. We are pleased to report that the Council undertook a review of the variances in order to strengthen its forecasting and monitoring arrangements.
90. Capacity problems within the finance department meant that this underspend was not fully identified at an early stage (partly due to the overall position being offset by savings in respect of capital financing/PFI costs).
91. The Council has now addressed the capacity issues in the finance department with a number of key appointments already having a positive impact on financial management.
92. As at January 2016, the Council is forecasting an underspend in 2015-16, albeit by £400,000, but this is after it has transferred £3.2 million of its underspend into its reserves. We have noted that this has been clearly reported in the Cabinet budget monitoring reports during 2015-16.
93. The Council reviews its level of reserves annually. The Council does not have a formal reserves policy but it has stated its intention to maintain its General Reserve at a minimum level of £5 million.
94. The Council has improved the transparency and clarity around its reserves. For example, Cabinet has received reports about the different types of reserve and considered the use of its pay reserve to mitigate the risk of pay inflation. However, there should be greater clarity about its planned use of reserves and how this will influence its savings with incorporation into the MTFP.
95. The Council considers income generation and charges annually as part of its budget setting process but it does not have a defined and agreed policy.

The Council has sound financial governance arrangements at an officer level but the clarity of information provided to Cabinet and Scrutiny could be further improved to support the monitoring of agreed savings

96. It is evident that the Council's senior officers have a strong understanding of the Council's financial position and the challenges it faces. There is frequent discussion

and monitoring of the Council's financial position at a corporate and directorate level. This includes considering monthly reports to Cabinet, to the Change and Efficiency Board, and directorate Portfolio Boards as well as being a standard agenda item for Cabinet Member briefings.

97. We understand that individual Cabinet Members meet regularly with directors and heads of service. Cabinet Member briefings are used and progress against individual savings targets relevant to their portfolios are considered.
98. Cabinet budget monitoring does provide the opportunity for Cabinet Members to hold officers and each other to account. However, the reports are quite traditional with a significant level of narrative; they do not use the same dashboards used by the Change and Efficiency and Portfolio Boards, which provide a visual indication of the Council's progress in delivering its agreed savings. The Council has recently started to use the dashboards to compile the Cabinet reports.
99. The Cabinet budget reports provide an outline of the overall baseline position and highlight key budget pressures alongside the position against agreed savings targets. Cabinet received one budget monitoring report during 2015-16, which clearly showed the position against each agreed savings plan in 2015-16. This was in January 2016. However, in 2014-15, Cabinet received regular reports showing the position against agreed savings plans. We are reassured that this is now being addressed and its approach in 2016-17 has returned to the more regular reporting cycle.
100. Scrutiny committees do not receive budget monitoring information regularly. Monitoring budgets and position against agreed savings targets is not included on scrutiny committees' forward work programmes. Aside from consideration of the annual budget and savings proposals, scrutiny committees do not have the opportunity to formally monitor and challenge the Executive on the Council's budget position.
101. It is positive that the Council has again invited the Newport Fairness Commission (NFC) to review the Council's 2016-17 budget and MTFP. The NFC praised the Council for year-on-year improvements to its budget consultation process and highlighted some key questions for the Council to consider.
102. As the Council's MTFP reflects, changes around demographics and a generally increasing population, notably an increasing ageing population, will put greater pressure on its services at a time when resources are likely to continue to reduce. Whilst the Council's financial position is relatively healthy, making sure that the Council has strong financial governance arrangements in place at all levels will be vital to ensure that the Council can demonstrate adherence to the sustainable development principles outlined in the Wellbeing and Future Generations Act, which came into force in April 2016.

The Council does not yet have a strategic approach to workforce planning, but the results of its recent employee engagement survey show that the Council has increasingly engaged employees, which provides it with good foundations to strengthen its workforce planning

103. In our Corporate Assessment Follow-up report of May 2015, we recommended that the Council must continue to develop its people management arrangements, to ensure it has the capacity and capabilities necessary to change and improve. In doing so, it should:

- continue to develop its draft Workforce Plan and associated action plans by, for each action: allocating responsibility to an officer and setting a deadline for completion;
- in the absence of a formal approach to 360-degree feedback for all staff, address manager inconsistency in carrying out appraisal and ensure all staff receive a constructive and developmental appraisals to support job performance; and
- put in place a key performance indicator and a challenging target for sickness absence that adheres to the target setting principles agreed by the Council's Senior Leadership Team on 17 March 2015.

104. Our review has found that the Council has made some progress to address this recommendation but it recognises that further work remains to address the recommendation fully.

The Council developed a short-term workforce plan for 2015-16 but this has not yet been developed into a longer-term plan to support the Council's strategic priorities and plans, and workforce planning is not yet sufficiently integrated into service planning

105. The Council has completed the implementation of its Total Reward scheme, which aimed to address equal pay issues. The Council's annual staff conference took place in September 2015 and the Chief Executive has continued his programme of staff and team visits over the past 18 months.

106. The Council agreed a workforce plan for 2015-16 in January 2016 following referral to its Community, Planning and Development Scrutiny Committee, and review by its Scrutiny Policy Review group and employee partnership forum. This short-term plan describes key workforce aims that the Council intends to develop and includes workforce profile information. The workforce plan provides the Council with a position statement and baseline of information to move forward.

107. The Council has included a more detailed action plan in the workforce plan, which sets out a range of supporting activities that will facilitate implementation of the aims. The deadlines for activities in the action plan fall between March and June 2016. However, contrary to the recommendation made in our Corporate Assessment Follow-up report, the Council has not allocated actions to named individuals. During our fieldwork, officers informed us that this information is set out in a separate document, but the Council did not provide this to us.

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- 108.** The Council is in the process of updating its workforce plan for 2016-17 and it has set up a Policy Review Group to focus on this. The Council, therefore, does not have an up-to-date and strategic workforce plan which sets out how and what it needs to do to shape its workforce to meet its future needs, which is aligned to its MTFP and future direction, as set out in Newport 2020. Given that staff costs typically represent about 60 to 70 per cent of an overall council's costs and that we understand from the Council that its workforce has reduced by approximately 10 per cent in the past three years, currently the Council is not realising the benefits of strategic workforce planning.
- 109.** The Council has provided a workforce template dated August 2015 for service areas to capture key data regarding their individual workforce profile information. The Council's workforce template is a useful tool to support better workforce planning in the future, but Council managers will need support and training to understand their service area workforce profile information and take appropriate action in order to achieve the overall aims of the plan for its workforce in the longer term.
- 110.** It is not clear how the workforce information set out in the Council's workforce templates was integrated into the Council's 2015-16 service plans. Our review of a sample of completed 2015-16 service plans found that data included in the 'resource' section is inconsistent. At the time of our fieldwork, the service planning template did not include a dedicated workforce section that links with the workforce template information developed in 2015. It is positive to hear that since our fieldwork, the Council has incorporated a specific workforce section within its service planning template that aligns with the existing workforce template.
- 111.** The Head of People and Business Change left the Council at the end of March 2016 and the Council has now appointed an interim replacement. The Council's spend on agency staff is above its target in the People and Business Change service. The Council needs to assure itself that it has appropriate capacity and capability to strengthen strategic workforce planning now that there have been changes within the Human Resource service.

The Council's recent employee engagement survey was very positive despite a challenging period of change

- 112.** During December 2015 and January 2016, the Council undertook an employee engagement survey. The Council does this every two years. Given the challenging times within local government, the reduced size of the Council workforce and the recent implementation of the Council's Total Reward scheme, which aimed to address equal pay issues, the results of the staff survey are mostly positive. None of the questions received a decreased score when compared to the results of the staff survey undertaken in 2013. All questions bar three showed an improved score. Over 90 per cent of respondents agreed that they understand the aims and objectives of the organisation and their service area including the role they play as individuals in achieving the objectives.
- 113.** There was a 30 per cent response rate to the Council's employee engagement survey. Taking account of the overall reduction in staff numbers at the Council during the

period 2013-2015, this represents a five-percentage point increase in response rate compared to the response rate to the 2013 employee engagement survey.

114. The Street Scene and City Service area had the lowest response rate (15 per cent) to the survey. This service area has a larger number of frontline staff who will have limited access to computers. It has also suffered a prolonged period of instability as it has had a number of interim heads of service since 2013 until the appointment of a permanent head of service in February 2016.
115. Cabinet discussed the results of the employee engagement survey in March 2016. Whilst it was pleased with the overall results of the survey, it was evident from observing the Cabinet meeting in March 2016 that it was not complacent and it was keen to improve the response rate and the overall results.
116. It is encouraging that the Council is now developing a communication plan to explain the results of the survey and that it has tasked Heads of Service to develop specific action plans to respond to issues highlighted within the survey. Both the Leader and the Chief Executive have communicated the results of the survey to staff.

The completion rate of staff appraisals is increasing, but further work remains to improve the consistency and quality of staff appraisals

117. The Council identified four actions to address our recommendation made in our Corporate Assessment follow-up to address manager inconsistency in carrying out appraisals and ensure all staff receive a constructive and developmental appraisal to support job performance. The progress update of the Council's Corporate Assessment action plan provided to the Cabinet in March 2016 suggests that the Council has not yet completed any of the four actions. This includes the construction of a new Organisational Development strategy and a review of the quality of appraisal submissions to assess manager inconsistency, which the Council scheduled to complete in November and December 2015 respectively.
118. Nevertheless, the Council's employee engagement survey demonstrated that its appraisal process has helped its staff understand the organisation's aims and objectives, and staff are satisfied with development opportunities. The results of its employee engagement survey showed that there was a 98 per cent positive response to the statement 'I have the necessary skills and knowledge to do my job'. The survey also showed an increase in the number of respondents agreeing that 'I am encouraged to keep my knowledge, skills and qualifications up to date.'
119. The Council's staff appraisal process is called 'My Review' and the Council set a 75 per cent completion target for 2014-15. It is positive that, overall, the Council exceeded this target, achieving an overall completion rate of 78 per cent, an 11 percentage point improvement on its performance in 2013-14. Seven out of nine service areas achieved or exceeded the 75 per cent target. Only Adult and Children services did not achieve this target, achieving 64 per cent and 65 per cent respectively, although both results were an improvement on 2013-14 appraisal completion rates.

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120. However, our review has found that the Council still needs take action to improve the quality and consistency of appraisals. The Council appraisal template does not provide for a third person or manager's manager sign off. This would provide greater opportunity to assess the quality of the completion of appraisals and identify any common themes and issues. We are aware that some heads of service do review a sample of appraisals, but this is not consistent across the organisation.
121. We understand that staff from the Council's Human Resources team, known as Human Resources Business Partners, conduct random sampling of completed appraisals. However, it is unclear what percentage sample is taken, what criteria are being assessed, whether the criteria are consistently applied across all service areas and how the outcome of this sampling is being used to improve the quality of appraisals.
122. The Council has developed a PowerPoint presentation of "My Review" for staff. This explains clearly: the purpose of the appraisal; the individual and the line manager's role; how to set objectives using the SMART principle; links to the Council's values and behaviours; 360-degree feedback; and how to form a development plan. The presentation provides links to the appraisal template and a training directory.
123. There is limited evidence of any other action to try to improve the consistency and quality of staff appraisals, despite this being a specific action in the Council's Corporate Assessment action plan and one of our recommendations.

Sickness absence targets have been set and are routinely monitored, but overall levels of sickness absence are not meeting the Council's targets

124. It is positive that the Council has explored practices undertaken at other councils in Wales to address sickness absence. It has identified sickness absence targets that are in line with the target setting principles agreed by Senior Leadership Team in March 2015 in order to address our recommendation to do so.
125. Human Resources produce management-of-attendance update reports for each service, and services monitor sickness absence monthly. Directorate Portfolio Boards also monitor levels of sickness absence quarterly. The Human Resource Business Partners also support some services with fortnightly reviews of sickness absence. The management-of-attendance update reports include sickness figures and highlight the number of long-term sickness cases. However, we found performance reports produced for service areas detailed the number of long-term sickness cases but not relevant actions being taken to manage those cases to an appropriate conclusion.
126. The Council reports that it has approximately 10 per cent fewer staff than it did three years and it has taken some steps aimed at improving staff wellbeing including promoting the Council's employee assistance programme (Care First), facilitating managers meeting with Occupational Health, and workshops to train managers on managing attendance.
127. For 2014-15, the Council's sickness absence rate was 9.62 days lost per employee, which is comparable to the Welsh average, but it did not meet its own target of 8.6 days. For 2015-16, the Council has set a target of 8.66 days lost per employee and it

has provided each service area with a specific target based on the service area's 2013-14 performance. As of February 2016, the Council's sickness absence rate was about nine days against a target of 7.8 days. However, the nine days is broken down into approximately seven days long-term sickness absence and two days short-term sickness absence.

- 128.** As of February 2016, the Council is forecasting that the sickness absence rates of Regeneration, Investment and Housing, and Education Services are better than their sickness absence targets, with Adult and Children's services projecting performance just missing their targets. Conversely, the Council is forecasting that Finance, Law and Regulation, and Street Scene and City Services are unlikely to meet their targets, by a significant shortfall.
- 129.** The Council's spending on agency staff is also well above spend target in its Finance, Law and Regulation, Regeneration Investment and Housing, and People and Business Change services. This indicates a requirement to back fill for positions that are either unoccupied due to vacancy or sickness absence. The Council will need to assure itself that it has appropriate capacity and capability within service areas and is managing vacancies accordingly.
- 130.** The Council's 2014-15 target for completion of return to work interviews following a period of sickness absence was 75 per cent, but the performance reported to the Performance Board in June 2015 was 69 per cent. The Council has identified that return to work interviews should be completed within seven days of the return to work. Good practice suggests that it is of mutual benefit to the organisation and individual that return to work interviews or discussions occur promptly after the individual returns to work, ideally on the first day back. The Council should consider shortening the timespan for completion of return to work interviews, as it will reduce the likelihood of the interview being over looked.

The Council has addressed our recommendation to collect and publish data on Final Special Educational Needs Statements issued within 26 weeks (EDU/015a) in line with the national prescribed definition

- 131.** Our Data Quality Review undertaken in November 2015 found that the Council has addressed our recommendation to collect and publish data on Final Special Educational Needs Statements issued within 26 weeks (EDU/015a) in line with the national prescribed definition. We presented the findings of our Data Quality Review to the Performance Board in March 2015.

Appendix 1

Corporate Assessment Follow-up recommendations

Set out below are the recommendations we made in our Corporate Assessment Follow-up report published in May 2015. We found that two of the statutory recommendations that were made in the original Corporate Assessment report of September 2013 were still applicable. We updated four other statutory recommendations to reflect the Council's progress since then. In addition, we added two new statutory recommendations.

R1 Updated from 2013 Corporate Assessment (2013, R1)

The Council should ensure that Members are routinely and transparently considering robust information at the earliest opportunity to enable them to inform, take and challenge choices and decisions effectively, and ensure that decisions are recorded and reported transparently. This includes the consideration of:

- Options appraisals.
- The implications of the options, recommendations and decisions.
- Fully costed business cases prior to initiating major programmes to support change. The financial impact of any significant proposed service changes should be reflected in medium-term financial plans directly where the change is certain to proceed or as a sensitivity if the change is not certain.

R2 No change from 2013 Corporate Assessment (2013, R2)

The Council should address with more urgency the weaknesses in its governance arrangements that underpin its decision making to support improvement. This would include:

- strengthening committee work programming arrangements to ensure they are timely, meaningful, informative, transparent, balanced, monitored, and joined up;
- reviewing and updating the Council's constitution ensuring that roles, responsibilities and accountabilities are clear, and that all Members understand and apply their respective roles in relation to each other without compromising independence;
- empowering Members to be more proactive and accountable for their roles and responsibilities;
- strengthening decision-making arrangements to ensure transparency and appropriate safeguards are in place;
- strengthening scrutiny arrangements to more effectively inform and challenge policies, options, decisions and actions, and hold Cabinet Members, officers, partners and others to account more robustly to drive an increased pace of progress and improvement;
- strengthening and mandating member and officer development and learning programmes based on competency assessments to improve skills and understanding to enable them to undertake their roles more effectively; and
- addressing information security and business continuity arrangements.

R3 Updated since 2013 Corporate Assessment (2013, R3)

The Council needs to ensure that its arrangements for strategic financial planning and management continue to develop to meet the significant challenges that are being faced by ensuring that:

- robust savings plans are developed in more detail to meet the projected budget shortfall for 2015-16 and to support the delivery of a meaningful medium-term financial plan;
- sufficient challenge is applied to ensure that savings/investment plans are delivered and any budget overspends are highlighted and addressed by early intervention;
- financial plans provide clear links to improvement objectives and service plans; and
- sufficient finance staff (both centrally and within individual departments) with appropriate skills and experience are in post to support the development and delivery of future plans.

R4 Updated since 2013 Corporate Assessment (2013, R4)

The Council must continue to develop its people management arrangements, to ensure it has the capacity and capabilities necessary to change and improve. In doing so, it should:

- continue to develop its draft Workforce Plan and associated action plans by, for each action: allocating responsibility to an officer and setting a deadline for completion;
- in the absence of a formal approach to 360-degree feedback for all staff, address manager inconsistency in carrying out appraisals and ensure all staff receive a constructive and developmental appraisal to support job performance; and
- put in place a key performance indicator and a challenging target for sickness absence that adheres to the target setting principles agreed by the Council's Senior Leadership Team on 17 March 2015.

R5 Updated since 2013 Corporate Assessment (2013, R6)

To strengthen the arrangements that enable the Council to scrutinise its improvement objectives. In doing so, the Council should:

- Enable Members to effectively challenge and scrutinise service performance:
 - clarify the respective roles of the performance board and scrutiny;
 - ensure that meeting agendas allow for sufficient time for Members to focus on (broad) underperformance in both; and
 - provide training on effective challenge and scrutiny for Members.
- Improve target setting to better reflect the service/performance standards the Council wants to achieve.

R6 New recommendation

We recommend that the Council improves the collective leadership by both Members and officers of the delivery of its response to the Auditor General's 2013 Corporate Assessment by agreeing clear accountability and monitoring arrangements for the implementation of recommendations and proposals for improvement.

R7 New recommendation

The Council must ensure that all National Strategic Indicator data is collected and published in accordance with the Welsh Government definitions; particularly NSI. EDU/015a – Final Special Educational Needs statements issued in 26 weeks.

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