

IMPROVEMENT AND SUSTAINABILITY BOARD

Minutes of the meeting held on 29th November, 2012, (11:00am)

- PRESENT:** Commissioner Alex Aldridge (Chair)
Commissioner Byron Davies
- Councillors W.J.Chorlton; K.P.Hughes; R.LI.Hughes; Bryan Owen; Bob Parry, OBE; G.O.Parry, MBE;
Chief Executive; Deputy Chief Executive; Director of Community; Director of Sustainable Development; Director of Lifelong Learning; Interim Head of Function (Resources).
- IN ATTENDANCE:** Committee Services Manager
- ALSO PRESENT:** Mr. Steve Pomeroy (Welsh Government); Messrs. Andy Bruce and Huw Lloyd Jones (Wales Audit Office)
- APOLOGIES:** Commissioner Mick Giannasi; Councillors T.LI.Hughes, O.Glyn Jones.

1. DECLARATION OF INTEREST

None to declare

2. APOLOGIES

As above

3. MINUTES

Submitted and confirmed as a true record, the minutes of the meeting of the Sustainability Board held on 1st October, 2012.

4. DRAFT TERMS OF REFERENCE

Commissioner Byron Davies reported that the draft Terms of Reference was a mechanism to bring everything relating to corporate governance in Anglesey together at monthly Board meetings. Commissioners were in agreement that the Council should now be reporting on its own assessment of matters to the Board and that the Commissioners role would then be to measure and evaluate progress being made. The Commissioners would like the Chief Executive to administer this meeting in future so as to reflect that it was now being owned as a corporate governance improvement and sustainability reporting mechanism by the Authority.

The Commissioners would evaluate and measure three aspects in terms of corporate governance sustainability - progress against the Commissioners 10 Corporate Governance themes, a mature approach to Organisational Development, and remove as many as possible of the 'trailing wires' which could be impediments to full recovery before the end of May. Commissioners were wishing to establish arrangements that the Executive and SLT, Wales Audit Office and Welsh Government would be content with, in relation to the Commissioners' role in facilitating the second phase of the intervention.

The Chair stated that the Commissioners felt that they had now reached a key crossroads as regards the appropriate level and the role of their intervention. He saw no added value in Commissioners attending formal meetings of the Council since he was more than confident in the ability of the combined forces of the new SLT and the Executive to manage the day to day running of the Authority. Agreement in this respect would of course have to be reached with the Minister. The Chair sought the views of the Executive and the SLT in this respect.

The Chief Executive stated that the Council had come a very long way on the improvement journey at the end of Phase 1. The second phase was now an opportunity for the Authority to prove how robust their achievements were. It was also an opportunity for it to be held accountable and to prove that it had matured sufficiently as a corporation to enable it to move ahead intervention free in the future.

The sign of a healthy corporation was that it was able to self-assess or self-evaluate itself continuously. This needed to be challenged both internally and externally. The external criteria were the expectations of the WAO. Also, one had to accept that there was a direct interest from the Minister since he had taken specific and unique steps in relation to this Council and he was not going to step back unless he was of the opinion that the prospects for success were genuinely good as well as long term sustainability.

By May, he hoped that the Authority could bring both expectations together and ensure that the procedures were robust enough and that evaluating self-performance would enable the Council to have the confidence to work and meet the expectations that had to be met. He accepted that there were some '*trailing wires*' that needed to be addressed and he welcomed the Commissioners input to assist with those matters. He was also very appreciative of the way Commissioners assisted the Council through the transfer of knowledge in addition to undertaking a monitoring role.

He was now eager to see a number of improvement programmes across the Services regularly reporting progress to this Board. The SLT was now ready to be called to account and they all realised the expectations placed upon them. The collaboration between the Executive and the SLT was now very strong and robust and they considered themselves to be one team, one entity, embarking on an improvement journey together.

On behalf of the Commissioners, the Chair put a recommendation before the Board as regards what Commissioners believed would be the appropriate level for their future attendance. A recommendation would be put to the Minister that as from 1st January, 2013, the input from Commissioners should be:-

- Second Thursday of the month – Commissioners to meet with the SLT and the Executive to exchange views on any high strategic issues;
- Third Thursday of the month – Commissioners to meet in Cardiff along with the Minister's officials. (The Chief Executive was requested to provide a draft copy of the

Improvement and Sustainability Board Minutes and other matters relating to the Terms of Reference to assist the deliberations at this meeting).

- Fourth Thursday of the month – Commissioners would attend the Improvement and Sustainability Board meeting.

Commissioners felt that this was the appropriate level of attendance, but should there be a need for them to attend any meeting at the request of Anglesey Council they would be happy to do so.

They considered that there was a strong SLT now in place, with an Executive that was committed to ensure that organisational development and transformation change was of the highest order. Commissioners wished to move away slowly, but to a point where the Regulators and the Minister and his Officials were comfortable that the Council could demonstrate full control of its day to day business. The Chair asked the Board members whether they were content with what was being proposed?

The Chief Executive in response stated that the SLT were happy with what was being proposed. He mentioned that there were some serious tests facing the Authority, namely setting the budget for 2013-14 and ensuring that there was full engagement leading up to the May 2013 election.

Commissioner Byron Davies stated that it would be helpful to invite the Education Recovery Board to attend meetings of the Board and to consider and evaluate any reports emerging from them. Similarly, an invitation should be extended to Estyn and the CSSIW to attend to demonstrate the open and mature way that the Board wished to address the business of improvement and sustainability in Anglesey. He requested the Chief Executive to amend the draft Terms of Reference to reflect the discussion that had taken place today and to include an invitation to attend future meetings to the organisations mentioned above.

The important matter for Commissioners was how they reported by January 2013 and May 2013. It was quite clear that the Board would now be the Commissioners self-assessment tool in relation to the corporate governance sustainability journey ahead and Commissioners would assess and challenge where necessary the progress being made at the Board. Commissioners would consolidate the monthly Board reports into a quarterly report which was an important document that would allow the Minister and his officials, the WLGA and the WAO to evaluate the corporate governance sustainability progress being made by Anglesey during Phase 2 intervention.

The Quarter 6 report for October, November and December 2012 would be reviewed following the Minister's visit to these offices on 13th December and its contents would become available to this Board in January 2013. The Commissioners would wish to provide the Minister with an early indication that the Authority was on the right track during January 2013. The following Quarter 7 report for the period January–March 2013 would take the Council very close to the elections in May 2013 and the Commissioners would wish to provide the Minister with a robust assessment and evaluation of the corporate governance sustainability in this report.

The Commissioners confirmed that the co-operation from Anglesey, Welsh Government, Welsh Audit Office and the Welsh Local Government Association to date had been excellent and he hoped that would continue. The aim now was for the Quarter 7 report, where Commissioners would be in a position to indicate to the Minister that Anglesey was

mature enough as an organisation to move forward into a new administration based on the corporate governance – sustainability evaluation.

The Leader stated that the Council had come a long way since the commencement of the intervention. The advice and support from the Commissioners, Welsh Government, WLGA and the WAO had been exemplary. Now was the time for Members and the SLT to take back ownership of the Council. He felt that it was a good idea to meet with Commissioners on a monthly basis. The Council was far stronger with the Senior Leadership Team in place to take the Council forward and there was also a good healthy working relationship with the Executive. He acknowledged as the Chief Executive had previously mentioned, that there were some serious issues to be tackled.

The Chair thanked the Leader and his Executive for their support in how Commissioners should continue to interface with the Authority. The Board was also in agreement in extending an invitation to the Education Recovery Board, Estyn and CSSIW to attend meetings of this Board when necessary.

The Chair requested that the Welsh Government and WAO officials present today, kindly take on board the comments made by the Commissioners as regards the appropriateness of their future attendance and he sought their support in ensuring that the Minister could at the appropriate time consider allowing the Authority to become once more an integral part of the local government family and run its business without intervention through proving its corporate governance sustainability.

The Improvement and Sustainability Board resolved to request the Chief Executive to update the proposed Terms of Reference taking into account the discussion held at today's meeting and present it in its final form to the next meeting of the Board on 20th December, 2012.

(b) Isle of Anglesey Transformation Plan

The Deputy Chief Executive reported -That with the period of intervention coming to an end and in order to support the Council to move forward in a sustainable manner, the Isle of Anglesey Transformation Plan had been deliberated and developed by the SLT.

The New Anglesey Roadmap which was a strategic, high level report was agreed and endorsed by the Council in September 2012 and was the framework under which the Council would need to drive the change agenda forward. Key to the next phase was the identification of the programme of work emanating from the Roadmap, integrating it with the other work which the Council was undertaking, set against the challenging financial context; organising the full programme of work in a way this Authority had ownership, ensured accountability at the highest level for delivery, provided focus and prioritised work, and that it was deliverable with the capacity that could be created.

The Transformation Plan set out the agenda for the remainder of this term of the Council until May 2013 and then the following three years up to 2016.

In order to focus work between now and April 2012, the Commissioners would like to focus improvement activity in two 90 day cycles. Work had been undertaken by SLT in conjunction with Commissioners and Hay to map out a number of key components to get the Transformation Strategy and Programme started. Progress on establishing the Transformation Strategy and Programme and the two 90 day cycles would be reported monthly to the Improvement and Sustainability Board up to May 2013. After that date and

as part of preparing for the new Council 2013, the Council would need to ensure appropriate reporting and accountability mechanisms were in place to ensure that the momentum was not lost.

The Transformation Plan was still regarded as work in progress but it was intended to formally present the Plan at the next Board meeting on 20th December, 2012. In the meantime there was a need to ensure alignment with the 10 Corporate Governance themes and with the current WAO recommendations.

Commissioner Byron Davies stated that he had over the years looked at many organisational change documents and whilst many failed because they were not owned by the implementers of change, he was really delighted at what the SLT had managed to accomplish and take ownership of. It embraced probably everything Commissioners had tried to achieve on Anglesey since the intervention commenced 18 months ago. If the Council could now achieve ownership of this Plan and create a system of self-evaluation, then he was extremely confident that the Council could make a convincing argument by May 2013 that would allow the Minister to consider Anglesey being free of intervention. He considered that the SLT had prepared a well thought out and structured document which would remedy the problems of the past and whilst it would take three years to complete the two 90 days periods, it had rightly become a key part of the plan. He very much looked forward to evaluating the Plan in conjunction with the Executive over the coming months.

The Chief Executive in response stated that there now needed to be complete joint ownership of the Plan right across the organisation. The next stage would be to get the Heads of Service, middle managers and the backbenchers on board and ultimately changing the mindset of the Council as an entity.

The Chair thanked the SLT for the Transformation Plan which, together with the Ten Corporate Governance Themes and any 'trailing wires' - would now define the role of the Commissioners over their remaining months at the Authority. It would provide the confidence for Commissioners to convey to the Minister and the Regulators that there was now a clear cohesive vision within the Authority as to how it would mature and develop into a fully sustainable corporate governance recovery.

On behalf of the WAO, Mr. Huw Lloyd Jones stated that there was common recognition today that the leadership skills of Commissioners had been immense, but he agreed that it was now time for the Authority to take its own first steps towards recovery. The key test of this second phase of intervention was whether the Authority was ready to stand up for itself in a mature and thoughtful way to prove that the building blocks that had been put in place during the first phase of the intervention had succeeded. WAO would do everything possible to support the Authority in moving the new agenda forward.

The Chair stated that the Transformation Plan could be a key indicator for WAO as regards problems elsewhere and ensuring that this level of intervention never occurred again. This anecdotal evidence would assist the Auditor General, the Ministerial office and the Welsh Local Government Association and others, that no council should be allowed to reach a similar position in future and Anglesey could be a local government exemplar for other authorities

Mr. Steve Pomeroy stated that everything he had heard today suggested to him that the Council could now stand up on its own two feet. It would now be important for the Minister to see the actual delivery of the Plan. The intention by Commissioners to spend two days on Anglesey and one day in Cardiff per month seemed perfectly acceptable to him in the spirit of what was trying to be achieved.

The Improvement and Sustainability Board requested the Deputy Chief Executive to present the final version of the Transformation Plan to the next meeting of the Board on 20th December, 2012.

5. DATES OF FUTURE MEETINGS

The Sustainability Board agreed to the following dates that had been set aside for future meetings of the Board (all at 11:00a.m. and on the last Thursday of the month):-

20th December, 2012
31st January, 2013
28th February, 2013
28th March, 2013
25th April, 2013
30th May, 2013

The meeting concluded at 12:25 p.m.

**COMMISSIONER ALEX ALDRIDGE
(CHAIR)**