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Dear Alison

## Improvement Assessment

I am required, under the Local Government (Wales) Measure 2009 (the Measure) to report my audit and assessment work in relation to whether Torfaen County Borough Council (the Council) has discharged its duties and met the requirements of the Measure.

This letter summarises:

- my views on whether the Council has discharged its statutory duties in respect of improvement planning;
- my views on the Council's compliance with requirements to make arrangements to secure continuous improvement, based on work carried out to date by the Wales Audit Office and relevant regulators, including:
  - the Council's progress on areas for improvement and recommendations identified in my previous assessments;
  - any relevant issues that may have emerged since my last report, including comments on how the Council is addressing financial challenges; and
  - a brief summary of any reports of relevant regulators issued since my last report;
- my further proposals for improvement and/or recommendations; and
- updates to the Wales Audit Office work plan and timetable for delivering my Improvement Assessment work.

I shall update my views during the year and will provide a further letter by the end of November 2013.

**The Council has discharged its improvement planning duties under the Measure. However, it should ensure that it acts more in accordance with Welsh Government guidance**

I have reached this conclusion because my audit and assessment work found that the Council's Improvement Objectives and its annual improvement plan *Our Forward Facing Plan for the Financial Year 2013-14: Delivering Corporate Plan 2*, (the Plan), meet the requirements of the Measure. The Council is required to publish its Plan as soon as reasonably practicable following the start of the financial year to which the plan relates. The Council published its Plan on 27 June 2013.

The Council has set out a clear rationale for selecting its improvement objectives based on its current performance, the Council's Corporate Plan 2 (2011-16), stakeholder and partner views, and consultation activity with citizens completed in November 2012. The Council has produced a Welsh language version of the Plan and provided both English and Welsh summary versions within its August 2013 edition of the Council's *Torfaen Talks* newsletter. This is available to download from the website and in hard copy, and has been promoted using social media platforms such as Facebook and Twitter.

In June 2011, the Council set 25 improvement objectives which define how it plans to deliver the seven priorities of the Corporate Plan 2. Given the increasing financial challenge all public bodies in Wales face, the Council has prioritised delivery of its improvement objectives. After asking citizens, in November 2011, how the improvement objectives should be prioritised, the Council selected 10 objectives for delivery during 2012-13. These priority objectives relate to schools, social care and waste.

The Council repeated its citizen consultation exercise in November 2012 to inform the prioritisation of its improvement objectives for 2013-14. The results were presented to the Council's scrutiny committees for review. This has resulted in the Council continuing to prioritise the 10 existing improvement objectives from 2012-13 and adding a further five improvement objectives totalling 15 improvement objectives to be achieved during 2013-14.

Whilst the Council in 2011 made a commitment to deliver improvement against all its 25 objectives by 2016, the Council's expectation that it is able to deliver 15 objectives in 2013-14 is ambitious at a time when financial and other resources are increasingly under pressure. This ambition will need to be carefully managed during 2013-14 and in future years, as part of the Council's four year fundamental review of its resources. The increasingly difficult financial landscape facing the Council, and local government in general, will make achieving all 25 improvement objectives by 2016 a very challenging target.

The overall style and format of the Plan is consistent with the previous year. For each improvement objective, the Council sets out what it proposes to do over the life of the Corporate Plan 2 to ensure the improvement objective is achieved. Measures within the Plan include performance targets for 2013-14 as well as information on performance on these measures for the previous three years.

However, some of the outcome statements are still not quantified, which makes it difficult to determine how the measures will help to demonstrate the successful achievement of the objective and what will constitute 'objective achieved'. For example, the link between

the Improvement Objectives and accompanying measures of success, baseline data and targets for improvement are still not consistently evidenced. Some measures have not been clearly described and it is difficult to identify whether a higher or lower performance outturn is better or worse.

Each activity listed under an improvement objective in the 2013-14 plan now has an associated measure of success. Consequently, for some improvement objectives, new measures have been introduced in 2012-13. In some cases it is unclear why these additional measures have been selected or how they will evidence progress in achieving the improvement objective. For example, under the improvement objective 'Work in different ways to reduce our costs', a new measure has been added 'Demolition of County Hall'. This work is already at an advanced stage of completion and it is unclear why this has been set as a new measure this year. In addition, new measures on 'percentage of Council vehicles utilised' and 'new school transport policy on entitlement implemented' have been added under this objective. However, it is unclear whether the Council is looking to reduce its overall fleet, increase utilisation of its existing fleet or reduce utilisation to reduce running costs.

The Plan sets out broad details of the resources available, both revenue and capital, to support the delivery of the Council's improvement objectives over the Corporate Plan 2 period. There is additional scope to strengthen the links in the Plan between the measures set and the financial resources available. These strengthened links would help citizens to understand that where the Plan sets targets for improvement, or for an anticipated decline in performance compared to previous years' levels, this is the result of a planned decision to increase or reduce resources in these areas.

Delivery of the Improvement Objectives is underpinned by Service Improvement Plans (SIPs), which provide information on actions, measures of success and timescales to deliver the individual Objectives. At the time of our review during the last week of July 2013, of the eight SIPs published on the Council's website, we found that only six had been updated for 2013-14 and two were out of date and covered the 2012-13 financial year. However, the 2013-14 SIPs that were available demonstrated good links between the individual Improvement Objectives and planned actions to support their delivery.

The Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 (the Act) set out specific requirements for local authorities in Wales. There is significant alignment between the requirement to produce Equality Objectives and the 'Fairness' element that authorities must pay consideration to in setting improvement objectives under the Measure.

The Council's *Our Forward Facing Plan for the Financial Year 2013-14: Delivering Corporate Plan 2* includes some information on the Council's equality impact assessment work, particularly in relation to budget setting, and the Council's 'Equality Promise', which sets out how the Council is prioritising services to those people (on the basis of protected characteristics) who are most vulnerable to disadvantage and inequality. I believe the Council has met the requirements of the Act in setting its Improvement Objectives.

**Based on, and limited to, work carried out to date by the Wales Audit Office and relevant regulators, it is uncertain whether the Council is likely to comply with the requirement to make arrangements to secure continuous improvement during this financial year**

I have reached this conclusion because:

**The Council has good corporate systems to co-ordinate and report the findings and outcomes of our work, but progress in addressing individual proposals for improvement has been mixed.**

Overall, the Council has made mixed progress against our proposals for improvement. For example, the Council has strengthened its financial planning and management arrangements to ensure this is more closely aligned with service planning and the delivery of corporate priorities. In addition, the Council has been responsive to the findings of our annual governance statement review by establishing a Corporate Governance Officer Group to review and strengthen its corporate governance arrangements, and in informing the development of its Annual Governance Statement for this year. However, slower progress has been made in a number of other areas, including the development of more robust outcome measures; the setting of service standards across key service areas and the development of a framework to support the Council's approach to collaboration. Further details of our assessment of the Council's progress in addressing proposals for improvement are set out in Appendix 1 to this letter.

The Council has appropriate systems to report the findings of our work and to manage the delivery of areas for improvement and recommendations arising from this work. However, members need to ensure that they robustly challenge the progress made in addressing these recommendations and the self-evaluation of the progress made in improving the Council's arrangements. The Council's Single Action Plan, which draws together the findings from our improvement assessment work, is used to co-ordinate how services are addressing proposals for improvement and is monitored by the Council's Audit Committee. Both the Cabinet and Audit Committee have received my Improvement Letters and Annual Improvement Reports. This allows Members to assess how the Council is performing and to consider an independent view of the Council's approach to deliver improvement for its citizens. A new section was added to the Single Action Plan in July 2013 to capture the headline messages arising from Estyn's follow-up review of education services. This new section also describes the arrangements in place to monitor the Council's progress in addressing the Post Inspection Action Plan through the Learning Communities Overview and Scrutiny Committee. There is scope to develop this Single Action Plan further, to fully incorporate the recommendations arising from Estyn and CSSIW's work, to enable the Council to robustly challenge and demonstrate more transparently the progress made in addressing the findings of other regulators and inspectorates.

Where actions are ongoing, we will continue to monitor and summarise the Council's progress in implementing them in future reports. Further information about our findings in some of these areas is provided separately in interim updates to the Council, where appropriate.

### **Corporate arrangements for co-ordinating and reporting performance are being strengthened but some systems for managing performance and ensuring data quality within services are not robust**

Every council needs to have good information and use it well if it is to provide good services and make them even better. The Council has embedded corporate systems using Ffynnon<sup>1</sup> for reporting its performance and we have recently audited these systems to assess how effective and reliable these arrangements are. The measures we selected for audit are a mixture of National Strategic Indicators, Public Accountability Measures, Service Improvement Datasets, and local measures developed by the Council. All of the measures we audited are used by the Council to assess how well it is delivering its improvement objectives and whether it is making a difference for its citizens. We selected six measures for audit in 2012-13. Our findings concluded that two of the local indicators had to be qualified due to weaknesses in the underlying arrangements and data reported.

The Corporate Improvement Team have continued to implement validation checks to provide assurance on the quality of the data input by service areas by checking reported data against the supporting evidence supplied through Ffynnon. This checking allows for the identification of any errors and leads to recommendations for further action by service areas to address identified weaknesses. Discussions with officers and our review of validation checks accuracy rates has shown that, in some instances, a number of errors were identified and subsequent amendments required to service performance information after its submission to the Corporate Improvement Team. This highlights the value that the corporate team is providing in ensuring the integrity of underlying data, but also indicates that data quality within some service areas still requires improvement. This is particularly pertinent in relation to local service indicators. Whilst independent validation is encouraged, it should not preclude service areas from ensuring that accurate performance information is prepared on a 'right first time' principle.

In addition we found that insufficient progress has been made to respond to the qualifications and proposals for improvement arising from our data quality findings last year. In particular:

- The Education service has yet to implement any actions to improve arrangements for the indicator 'Number of reported incidents of bullying' since our previous review. There is still no formal guidance in place to ensure that bullying cases are reported on a consistent basis across all schools and no arrangements have been made to ensure returns setting out numbers of bullying cases per school are returned in all cases. Record cards have yet to be developed and agreed by service areas for all

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<sup>1</sup> Ffynnon is a nationally procured software solution to meet the performance management requirements of Welsh local authorities, fire and rescue services, national park authorities and their partners.

local indicators. Consequently there has been insufficient progress in clearly defining the basis for data collection and in describing the parameters for recording and formally documenting information. This lack of clarity creates ambiguity and there is a risk that local service indicators will be open to interpretation and not collated and reported in a robust way.

- Formal guidance and protocols for the setting of performance indicator targets have yet to be developed.
- In addition, the indicator 'Number of re-admissions to hospital within one year' was qualified in 2011-12 due to no PI figure being provided or reported by the Council. This measure has subsequently been removed until a suitable PI compilation and reporting system has been developed in conjunction with other Gwent partners within the Gwent Frailty Programme. This process is being led by officers within Aneurin Bevan Health Board and Caerphilly County Borough Council.

More positively, member involvement in reviewing performance is being strengthened. Formal challenge sessions with the Executive Member for Corporate Governance established in 2009 are continuing to improve and officers are challenged on their performance against targets. Where necessary, actions from these meetings can be referred to the appropriate scrutiny committee for further consideration. In addition, the joint scrutiny committee reviewed the Council's overall performance against measures and improvement objectives for 2012-13 at its meeting in July 2013. These arrangements enable routine scrutiny of the Council's performance against its objectives, activities and measures throughout the year. However, the Council needs to ensure that scrutiny committee members are given sufficient appropriate information and the opportunity to question officers and Cabinet Members on service performance and to ensure that mitigating actions are identified in response to those measures that are not on track against targets. We will assess the effectiveness of these arrangements as part of our ongoing work.

Performance targets are in place for most NSIs, although these have not been robustly set for all local measures. The Ffynnon performance management system contains target data and intervention levels have been set to highlight when actual performance deviates beyond target. Our discussions with officers has identified that there is little control over these intervention levels once they have been initially set and they can be manually changed by officers within service areas at any time. Better controls need to be put in place to manage changes to intervention levels to ensure that actual service performance against targets is not being distorted and that there is a genuine justification for changes to performance targets.

Our detailed findings from our 2012-13 data quality review, along with our suggested proposals for improvement will be set out in a separate report to the Council.

**The Council is good at managing its overall budget and continues to deliver essential services with less money but it needs to strengthen how it evaluates the impact of savings to ensure services do not become unsustainable in the future**

Following the May 2010 election, the UK Government carried out a Spending Review, which was finalised in October 2010. Overall, councils in Wales had a £155 million (3.8 per cent) real-terms reduction in their revenue funding from the Welsh Government in 2011-12. The indicative figures show that, in real terms, the revenue funding from the Welsh Government will be around £283 million (seven per cent) lower in 2013-14 than in 2010-11. The Welsh Government is challenged with meeting these cuts in funding for Wales, which means that all councils in Wales have to make difficult decisions on how they deal with reductions in funding, which are impacting directly on local services and people.

Councils are therefore under increasing pressure to reduce costs but still have a duty to have arrangements to secure continuous improvement. The scale of cost reduction required means that councils will have to look beyond immediate short-term savings and think more radically about how to take cost out of the business and how to sustain this in the longer term whilst still improving services. Cutting spending effectively requires departments to take a strategic overview to avoid an erosion of service quality in priority delivery areas. Councils should clearly prioritise what services matter most, based on an accurate, realistic assessment of the costs, benefits and risks of the options.

During 2012-13 we reviewed how well the Council was managing with less resources. We concluded that the Council is good at managing its overall budget and continues to deliver essential services with less money but it needs to strengthen how it evaluates the impact of savings to ensure services do not become unsustainable in the future.

We came to this conclusion because we found that the Council's day-to-day budget monitoring is sound, savings have been approved, and expenditure is reducing, but the implications of budget cuts are not always identified and there are weaknesses in some aspects of its monitoring and evaluation of delivering savings targets. We found that the Council has a good understanding of the cost pressures it faces and has good systems in place to assess and review its medium-term financial position. There are good processes in place to identify and agree savings plans but there is limited Member scrutiny of the delivery of these plans and their impact on service performance. The Council has communicated the financial challenges it faces and staff broadly know what the cost pressures are going forward.

We also considered how the Council is reducing expenditure and delivering savings in specific services. Our review focussed on three service areas – Environmental Health, Housing and Waste Management – to understand how well these individual services are planning and delivering savings. We found that Environmental Health services are managing with reduced budgets and performance is mixed but it is unclear if the services are sustainable in the medium to long term. With regard to Housing services, performance remains mixed and whilst progress has been made on improving efficiency and value for money, the services face significant challenges and it will be difficult to secure further savings in the face of growing housing need. Finally, the Council's Waste Management

Service has received significant financial investment over the last few years. The service has yet to demonstrate notable improvements in its key performance measures for waste and recycling services.

In a time of diminishing resources and growing budget pressures, it is important for councils to engage with local people about their services and to understand how changes in service delivery, as a result of budget decisions, are impacting on those that receive them. We found that residents in Torfaen use a wide range of Council services and, overall, most of the residents we spoke to are satisfied with Council services, although a small number were unhappy. The residents we spoke to also felt that the quality of most Council services have neither improved nor declined in the last year, but the majority felt that the condition of roads continues to deteriorate. Most residents do not know what the Council plans for the future and whether the services they receive will change.

**The Council is currently developing a framework to support its four-year fundamental review of service provision and spending to support the delivery of corporate priorities and the management of anticipated funding reductions**

The Council adopted its first formal Medium Term Financial Plan in February 2012. It also established an indicative 'Funding Plan', outlining a series of targets aimed at reducing expenditure and/or revising financial forecasts so they fall within the potential funding envelope available to the Council. This Medium Term Financial Plan has been kept under review and the funding plan has been regularly reassessed as new measures have been developed to close the funding gap.

The Council has recognised, in light of the unprecedented financial challenges that face them in the near future, that a generic cutting approach to deliver a balanced budget is unsustainable and that it must place a greater emphasis on prioritisation of resources, alternative delivery models and effective demand management. The Council is preparing itself for further significant funding pressures in the future. Based on estimates provided to its Cabinet meeting in July 2013, the cumulative impact of the pressures over the next four years is estimated to total £40 million: £10 million in 2014-15; £10.4 million in 2015-16; £11.4 million in 2016-17 and £8.1 million in 2017-18. Exact figures will be confirmed when final settlements from the Welsh Government are known and the Council has recognised that significantly larger cuts may be necessary.

As a result of these estimates, the Council is in the process of undertaking a 'four-year review', involving a fundamental look at the local services it currently provides. Senior officers and members understand that difficult decisions will need to be made on what service priorities can continue to be funded, those services that they propose to discontinue or disinvest from and how these decisions impact on the Council's need to protect the most vulnerable in the communities.

The Council commenced its four-year review in May 2013 and is in the process of developing a framework that identifies 'protected' and 'unprotected' elements of service budgets. This framework will assist Members in gaining a greater understanding of what the respective components of each of the service budgets are and where they have scope to influence these as part of the decision making process. A 'data sheet' has been

compiled for each service area, which identifies forecast pressures, structures and functional descriptions of service provision. This information will be developed to model the future demand and need for services. Whilst this framework is in its developmental stage, it represents positive progress in developing an effective service and financial planning model that the Council can continue to develop over the coming months and years. We will monitor progress on the development of this framework.

### **The Council lacks formal service standards and citizens are unable to effectively judge how well waste and recycling services are performing**

Service standards set out what a resident can expect to receive from a council service. They should be developed with residents and explain what to expect from the service, what is expected of the resident and may also outline what the service will not do or will not provide. Service standards cover core areas such as access, cost, quality, timeliness and satisfaction.

In my *Annual Improvement Report* in 2011, I made a specific proposal for improvement to the Council to 'identify minimum service standards for all service standards against which performance can be monitored'. The Council recognised that this was an area for improvement and requested that, as part of our audit programme for 2012-13, we undertake further work to assist the Council to design a service standards framework. Our work relating to service standards was carried out within its waste service as the Council recognised that no formal standards were in place.

Our review concluded that the Council's waste service lacks formal service standards and so citizens are unable to effectively judge how well waste and recycling services are performing. The information and arrangements that the Council uses to improve the waste service are inadequate. The performance of the waste service has failed to keep pace with other councils in Wales and the Council cannot judge the quality and impact of the service on citizens. Because of limitations in its information base, it will be difficult for the waste service to assess whether any service standards they put in place in the future are being achieved. This is not helped by weaknesses in communication about service changes and performance levels, which is infrequent, easily missed and not always achieving the desired impact.

**In February 2013 Estyn reported that the Council's progress in response to the October 2011 inspection of education services was slow and the Council was referred to the Minister for Education and Skills for special measures**

Estyn completed a follow-up visit in February 2013 to monitor the progress made by the Council to improve its education services since the inspection of the Local Authority's Education Services for Children and Young People in October 2011. The conclusion of the monitoring visit was that the Council had made insufficient progress against most of the inspection team's recommendations. Improvements had been slow and attainment standards in secondary schools remained unsatisfactory. Overall, the inspection judged that the Council had made insufficient progress to address the recommendations in the inspection report and that special measures are required in relation to the Council. This is currently being considered by the Minister for Education and Skills.

## Recommendations

I have set out below one statutory recommendation for improvement under section 19 of the Local Government (Wales) Measure 2009. The Council must respond to this recommendation publicly within 30 days.

### Recommendation

R1 Ensure arrangements are put in place to address proposals for improvement arising from our 2012 data quality review which have yet to be progressed.

## Proposals for improvement issued to date

I summarise below the proposals for improvement issued to the Council as a result of assessment work carried out during the year. Progress made by the Council in implementing the proposals set out in my previous reports and letters will continue to be monitored and reported.

### Proposals for improvement

#### Address the proposals for improvement in our Service based impact review (July 2013)

P1 Continue to improve efficiency and value for money by:

- identifying and agreeing what each service's statutory and non-statutory requirements are;
- determining the 'acceptable standards of performance' for each service (upper and lower) and publicise these to citizens;
- identifying and regularly collecting performance and demand/need data on each Council service;
- analysing collected data to inform and understand the relationship between 'cost: performance: impact'; and
- identifying further options for improving efficiency and maintaining performance to the agreed level.

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**Proposals for improvement****Address the proposals for improvement in our Service based impact review (July 2013)**

- P2 Ensure approved savings targets are delivered by:
- effectively scrutinising savings plans on an ongoing basis; and
  - challenging and holding services to account for their performance.

**Address the proposals for improvement in our Service Standards Review (July 2013)**

- P3 Develop and pilot a single, comprehensive set of service standards for waste using existing information. The Council should:
- bring together existing information on service provision and performance;
  - develop a comprehensive range of service standards for waste drawing on practice elsewhere (see [Appendix 1](#));
  - review this pilot and refine draft service standards in waste; and
  - extend service standards to other Council services.

**Extend service standards to other Council services**

- P4 The Council should review the pilot service standards in waste services and extend the approach to other Council services.

**Put mechanisms in place to support the new waste services standards**

- P5 The Council should agree, publicise, measure, report, and review and evaluate these waste service standards.
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**Further proposals for improvement**

I am also making some new proposals for improvement in this letter. Progress made by the Council in implementing these proposals will continue to be monitored and reported.

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**Addressing proposals for improvement**

- P6 Strengthen self-evaluation arrangements to assess progress made in addressing recommendations identified by external regulators and inspectorates by:
- ensuring members robustly challenge officers' progress in addressing recommendations and proposals for improvement;
  - provide an open and transparent self-evaluation of the progress made in improving its arrangements and where further improvement is needed; and
  - broaden the scope of the Council's Single Action Plan further to fully incorporate the recommendations arising from Estyn and CSSIW's work, to demonstrate more transparently the progress made in addressing the findings of other key regulators and inspectorates.

**Improve the quality of performance data validation within service areas**

- P7 Develop a standard programme of data validation checks to be carried out on published and local measures to confirm accuracy of data before submission to the Corporate Improvement team.
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**Improve member challenge and scrutiny of in-year service performance against measures and targets**

P8 The Council should ensure that scrutiny committee members are given sufficient appropriate information and the opportunity to question officers and Cabinet Members on service performance throughout the year.

**Improve controls over changes to service target intervention levels**

P9 Strengthen change controls to manage changes to agreed target intervention levels to ensure that actual service performance against targets is not being distorted and that there is a genuine justification for changes to performance targets during the year.

**Updates to the work plan and timetable**

My Improvement Assessment Team will keep the Council informed of the detailed arrangements for the delivery of my assessment work.

The regularly updated work plan and timetable provide more detail on the work being delivered during this year's assessment and in particular how we will add value by focusing on jointly identified areas or services.

The work plan and timetable take account of my consultation with improvement authorities over my proposals for 2013-14 performance audit work. In particular, I shall be asking my Improvement Assessment Team to consider during the year the reliance that we can place upon the self-assessment processes (including your review of governance in producing the Annual Governance Statement and your Annual Performance Report). I shall comment on this approach in my Annual Improvement Report.

I am grateful to the Council for the way in which it has helped to facilitate our work and hope to see even more effective and efficient arrangements developing over time. I remain committed to providing appropriate levels of public assurance while supporting you in mitigating the inevitable risks to services and accountability that stem from reducing resources and consequential change.

Yours sincerely



**HUW VAUGHAN THOMAS**

**AUDITOR GENERAL FOR WALES**

CC: Lesley Griffiths, Minister for Local Government and Government Business

Non Jenkins – Regional Manager

Nick Selwyn – Performance Audit Lead

## Appendix 1

Proposals for improvement	Progress
<p>1. Evaluate and report on the impact of reduced budgets on frontline services to identify and deal with risks that emerge from investment decisions.</p>	<p><b>Some progress has been made in addressing this proposal for improvement.</b></p> <p>We undertook a service-based impact assessment of reduction in budgets and resources. This review identified and assessed the impact of revenue, capital and human resource reductions on services and evaluated whether the Council is continuing to manage to deliver its statutory obligations and improvement objectives effectively. Our review concluded that the Council is good at managing its overall budget and continues to deliver essential services with less money but it needs to strengthen how it evaluates the impact of savings to ensure services do not become unsustainable in the future.</p> <p>The Council is in the process of undertaking a ‘four-year review’ involving a fundamental look at the local services it currently provides. The Council commenced its four-year review in May 2013 and whilst this is in its developmental stage, it is clearly positive progress in developing an effective service and financial planning model and is one that the Council will continue to develop over the coming months and years. We will continue to monitor the Council’s progress in undertaking this review and will judge the impact of the work in our Annual Improvement Report.</p> <p><b>This proposal for improvement remains open.</b></p>
<p>2. Continue to address the proposals and actions for improvement identified in previous external audit and regulation reports.</p>	<p><b>Mixed progress has been made in addressing this proposal for improvement.</b></p> <p>The Council has made mixed progress in addressing the proposals and actions for improvement. Progress is monitored through the Council’s Single Action Plan, which is reviewed by officers and Audit Committee members on a regular basis. We will continue to monitor the Council’s progress in delivering these actions and will judge the impact of the work in our local work and Annual Improvement Report.</p> <p><b>This proposal for improvement has been superceded by a statutory recommendation and another proposal for improvement.</b></p> <p>A statutory recommendation has been made as a result of the Council’s limited progress in addressing proposals for improvement arising from our 2012 data quality review.</p>

Proposals for improvement	Progress
<p>3. Establish clear success measures for all objectives and support the effective monitoring of performance through regular, clear reporting of outcomes.</p>	<p><b>Some progress has been made in addressing this proposal for improvement.</b></p> <p>A consistent framework is used to set out the Improvement Objectives in the Forward Facing Plan. This includes:</p> <ul style="list-style-type: none"> <li>• a broad statement identifying what the Council is expecting to see improve over the life of CP2;</li> <li>• shared outcome indicators to help demonstrate progress in delivering the outcome;</li> <li>• key activities for delivery in 2013-14; and</li> <li>• key performance measures to assess progress.</li> </ul> <p>Some of the Improvement Objectives are broad and it is clear what citizens can expect to see improve. In others the link between the Improvement Objectives and accompanying measures of success, baseline data and targets for improvement are not consistently evidenced. We will continue to monitor how the Council manages performance, in particular in relation to its Improvement Objectives and will report our findings in our Annual Improvement Report.</p> <p><b>This proposal for improvement remains open.</b></p>
<p>4. Improve self-assessment arrangements and performance reporting.</p>	<p><b>Some progress has been made in addressing this proposal for improvement.</b></p> <p>The Council publishes its Forward Facing Plan in English and Welsh and is improving the level of information it provides bilingually. We will continue to monitor how the Council delivers its strategic Welsh language commitments and will summarise the key conclusions of the Welsh Language Board annual monitoring report in our Annual Improvement Report.</p> <p>The Council has been responsive to the findings of our governance review, where it has established a Corporate Governance Officer Group to review and strengthen its corporate governance arrangements and has taken positive action on our findings in its self-evaluation of its arrangements within its draft 2012-13 Annual Governance Statement.</p> <p><b>This proposal for improvement remains open.</b></p>

Proposals for improvement	Progress
<p>5. Put training in place to support inexperienced members to effectively discharge their remit.</p>	<p><b>Some progress has been made in addressing this proposal for improvement.</b></p> <p>Replacement IT equipment and training needs assessments have been carried out for all members following the elections in May 2012. In addition, specific training was provided by the Welsh Local Government Association (WLGA) to all Scrutiny Chairs in July 2013 to help develop a greater understanding of the scrutiny process.</p> <p>The Council has recently completed a major review of scrutiny activity and member support, working in partnership with the Welsh Local Government Association. This review has focussed on strengthening member support and equipping all councillors to undertake their responsibilities and duties more effectively. We are planning to undertake an all-Wales local study on scrutiny in the autumn of 2012 and will report our findings in our Improvement Assessment Report. We are in the process of reporting from our Scrutiny Review in a national Report in the autumn of 2013.</p> <p><b>This proposal for improvement remains open.</b></p>
<p>6. Improve information on unit costs, activity costs, benchmarks and other financial performance measures to help make more informed financial decisions.</p>	<p><b>Slow progress has been made in addressing this proposal for improvement.</b></p> <p>The Council has undertaken limited work on benchmarking and comparing costs. Rather, the Council has sought to improve its financial planning and value-for-money analysis through its MTFP. This allows the Council to update both current performance and the underlying assumptions that impact on making better use of the money it has available.</p> <p><b>This proposal for improvement remains open.</b></p>
<p>7. Identify minimum service standards for all service areas against which performance can be monitored.</p>	<p><b>Slow progress has been made in addressing this proposal for improvement, apart from in Waste.</b></p> <p>The Council has undertaken some work on identifying and setting service standards but this has not progressed significantly in all areas. We undertook our assessment of service standards within the Council's Waste Service and actions are being put in place for the Council to develop a comprehensive suite of standards for this service over the coming months. Following this pilot exercise with the Waste Service, the Council's intention was to develop service standards across other service areas of the Council but its plans for doing so are not clear.</p> <p><b>This proposal for improvement remains open and has been supplemented by the proposals for improvement arising from our Service Standards Review (July 2013).</b></p>

Proposals for improvement	Progress
<p>8. Ensure there are robust and effective governance arrangements in place when creating integrated services and collaborations, which are subject to regular evaluation of their impact.</p>	<p><b>Some progress has been made in addressing this proposal for improvement.</b></p> <p>The Council's Resources and Corporate Business Overview and Scrutiny Committee received a report in November 2012, looking at ways in which the Council can develop a framework for its collaborative activity. This is still currently under development.</p> <p>We are finalising conclusions from our collaboration governance risk review which has identified and mapped out the level of collaboration taking place within the Council and risk assessed the effectiveness of governance arrangements in setting up collaborative ventures and will report a summary of our findings in the Annual Improvement Report.</p> <p><b>This proposal for improvement remains open.</b></p>
<p>9. Ensure all Improvement Objectives reflect and include the full range of relevant services, measures and actions that will enable the Council to assess whether positive outcomes are being achieved for citizens.</p>	<p><b>Some progress has been made in addressing this proposal for improvement.</b></p> <p>For each Improvement Objective, the Council sets out what it proposes to undertake over the life of the CP2 period to ensure the improvement objective is achieved. However, these outcome statements are not quantified which makes it difficult to determine how the measures contribute to the overall successful achievement of the objective, what overall success looks like and what constitutes 'objective achieved'.</p> <p>Actions are ongoing to work with service areas to ensure their plans and team plans to define better, more outcome-focussed performance measures for their activities. The Council recognises that further work is to be done here.</p> <p>The link between the Improvement Objectives and accompanying measures of success, baseline data and targets for improvement are not consistently evidenced. Some measures have not been clearly described and it is difficult to identify whether a higher or lower performance outturn is better or worse. In addition, for some improvement objectives, new measures have been introduced in 2012-13. In some cases it is unclear why these have been selected or how these additional measures evidence progress in achieving the improvement objective. The Council's improvement objectives and associated activities are currently under review as part of the four-year fundamental review of spending and priorities.</p> <p>We will continue to monitor how the Council manages performance, in particular in relation to its Improvement Objectives and will report our findings in our Annual Improvement Report.</p> <p><b>This proposal for improvement remains open.</b></p>

Proposals for improvement	Progress
<p>10. Improve the quality of information used to underpin key medium-term financial planning assumptions and identify the likely financial impact of increasing demand for services and changing demographics.</p>	<p><b>Some progress has been made in addressing this proposal for improvement.</b></p> <p>The Council is in the process of undertaking a ‘four-year review’ involving a fundamental look at the local services it currently provides. The Council commenced its four-year review in May 2013 and whilst this is in its developmental stage, it is clearly positive progress in developing an effective service and financial planning model and is one that the Council will continue to develop over the coming months and years. We will continue to monitor the Council’s progress in undertaking this review and will judge the impact of the work in our Annual Improvement Report.</p> <p><b>This proposal for improvement remains open.</b></p>
<p>11. Develop the funding plans, alongside refining and developing the MTFP, showing how the predicted financial deficits will be addressed and how service-based pressures will be managed going forward.</p>	<p><b>Some progress has been made in addressing this proposal for improvement.</b></p> <p>We undertook a service-based impact assessment of reduction in budgets and resources. This review identified and assessed the impact of revenue, capital and human resource reductions on services and evaluated whether the Council is continuing to manage to deliver its statutory obligations and improvement objectives effectively. Our review concluded that the Council is good at managing its overall budget and continues to deliver essential services with less money but it needs to strengthen how it evaluates the impact of savings to ensure services do not become unsustainable in the future.</p> <p><b>This proposal for improvement remains open.</b></p>
<p>12. Act more in accordance with Welsh Government guidance by:</p> <ul style="list-style-type: none"> <li>• expressing the Council’s view of its success in achieving its Improvement Objectives;</li> <li>• using a wider evidence base of information to enable the Council to assess whether it has met its Improvement Objectives; and</li> <li>• maximising accessibility to citizens and stakeholders of the Council’s performance assessment.</li> </ul>	<p><b>Some progress has been made in addressing this proposal for improvement.</b></p> <p>A joint meeting of all the Council’s Overview and Scrutiny Committees was held in July 2013 to look at the progress made by the service areas in delivering the improvement objectives during 2012-13. This was subsequent to an exercise where each Chief Officer was required to provide an update on the progress made in delivering the Council’s improvement activities as published in the 2012-13 Forward Facing Improvement Plan.</p> <p>The Executive Member for Corporate Governance also undertook performance review sessions for the reported performance as at the end of 2012-13. His findings were received by the Overview and Scrutiny Committees as part of their scrutiny activity.</p> <p>We will update our assessment of the Council’s progress following our review of the Council’s Performance Report in October 2013.</p> <p><b>This proposal for improvement remains open.</b></p>

Proposals for improvement	Progress
<p>13. Improve performance management by:</p> <ul style="list-style-type: none"> <li>strengthening the role of Scrutiny to drive improvement; and</li> <li>ensuring the impact of activity is measured more effectively to better judge outcomes on citizens and service users.</li> </ul>	<p><b>Some progress has been made in addressing this proposal for improvement.</b></p> <p>Specific training was provided by the WLGA to all Scrutiny Chairs in July 2013 to help develop a greater understanding of the scrutiny process.</p> <p>In addition, the Council's joint scrutiny committee reviewed the Council's overall performance against measures and improvement objectives for 2012-13 at its meeting in July 2013. The Council should look to introduce a more routine review of its performance against its objectives, activities and measures throughout the year by its Scrutiny committees. This will give members sufficient opportunity to scrutinise and challenge officers on service performance and to ensure that mitigating actions are identified to respond to those measures that are not on track against targets.</p> <p><b>This proposal for improvement remains open.</b></p>
<p>14. Ensure all services consistently report and evaluate performance in delivering improvement objectives.</p>	<p>See comments in 12 and 13 above.</p>
<p>15. Service areas should provide formal evidence of validation processes carried out prior to submission of performance information to the Corporate Improvement Team to demonstrate that this has been checked and verified for accuracy.</p>	<p><b>Some progress has been made in addressing this proposal for improvement</b></p> <p>The Corporate Improvement Team have continued to implement validation checks to provide assurance on the quality of the data input by service areas by checking reported data against the supporting evidence supplied through Ffynnon. Discussions with officers and our review of validation checks accuracy rates has shown that, in some instances, a number of errors were identified and subsequent amendments required to service performance information after its submission to the Corporate Improvement Team. Whilst service performance managers are undertaking checks on data prior to submission to the Corporate Improvement Team, the quality of the checks undertaken by services can be strengthened further.</p> <p><b>This proposal for improvement remains open.</b></p>
<p>16. The Corporate Improvement Team should discuss with Internal Audit its scope to develop a targeted risk based review of performance information for those service areas with recurring data quality issues.</p>	<p><b>Good progress has been made in addressing this proposal for improvement.</b></p> <p>Where significant or recurring data quality issues have been identified by the Corporate Improvement Team, they have worked closely with the Council's Internal Audit Team during the year to request additional work is undertaken. This process has enabled improvements in the data collection and reporting processes to be identified and implemented for a number of indicators, including the number of fly-tipping incidents (STS/006) and number of visits to public libraries (LCL/001b).</p> <p><b>This proposal for improvement is closed.</b></p>

Proposals for improvement	Progress
<p>17. Record cards should be developed and agreed by service areas for all local indicators. This should include details of the PI definition, data parameters and arrangements for the collection, recording and monitoring of data to support the PI.</p>	<p><b>Slow progress has been made in addressing this proposal for improvement.</b></p> <p>Whilst record cards have been prepared for some local indicators, these are not consistently in place for all local indicators across all services areas. Further sample checks undertaken as part of the data quality review have also confirmed that those PIs where record cards in place can also be improved to ensure the basis for measurement, recording and reporting of data for these indicators are more clearly defined.</p> <p><b>This proposal for improvement remains open.</b></p>
<p>18. Formal guidance and protocols should be put in place for the setting of PI targets and to ensure nationally set targets are considered during the process.</p>	<p><b>Slow progress has been made in addressing this proposal for improvement.</b></p> <p>Formal guidance and protocols for target setting have yet to be developed.</p> <p><b>This proposal for improvement remains open.</b></p>