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Pages	1 of 7

Dear Mohammed

## Improvement Assessment

This letter summarises the key conclusions arising from my work in respect of improvement planning and reporting under the Local Government (Wales) Measure 2009 (the Measure).

I am required to report my audit and assessment work in relation to whether Denbighshire County Council (the Council) has discharged its duties and met the requirements of the Measure.

Further to my earlier Improvement Assessment letter of 17 September 2012 this letter summarises:

- my views on whether the Council has discharged its statutory duties in respect of improvement planning;
- my views on whether the Council has discharged its statutory duties in respect of improvement reporting;
- my views, and the views of relevant regulators, on the reliability of the Council's self-evaluation; and
- my further proposals for improvement.

Further to this, I will undertake more detailed work on the arrangements that support the Council's performance management and reporting over the coming months.

I shall summarise all of my work, and that of relevant regulators during 2012-13, and publish an Annual Improvement Report for the Council by the end of March 2013.

## Improvement Planning

### **The Council has discharged its improvement planning duties under the Measure and has acted in accordance with Welsh Government Guidance**

While the Measure requires councils to publish their improvement plans as soon as possible after the beginning of the financial year, I reported in my September letter that, following the local government elections in May 2012, the Council had decided to develop a new Corporate Plan following a considerable amount of consultation and engagement with residents and its staff, including:

- a Residents' Survey: 2,256 households responded to a survey;
- a Public Survey: 1,228 people responded to a survey on the Council's website and in leisure centres, libraries, and Council reception areas;
- and workshops with young people.

The Council agreed and published its new Corporate Plan in October 2012. My audit and assessment work found that the Council's Corporate Plan, 'Corporate Plan 2012-17: An excellent Council, close to the community', meets the requirements of the Measure. The Council has set out a clear rationale for selecting the areas it is focusing on improving, based on its current performance, stakeholder and partner views and recent consultation activity with citizens. The Council has produced a Welsh language version of the Plan and provided summary versions on its website and in its newsletter, 'County Voice'.

The Council's Corporate Plan has seven Improvement Objectives relating to: education and school buildings; developing the local economy; improving roads; protecting vulnerable people; clean and tidy streets; access to good quality housing; and modernising the Council.

The Council has clearly stated what the Improvement Objectives aim to achieve and has included broad details, linked to its Mid Term Financial Plan, on the resources available, both revenue and capital, to support their delivery.

The clarity of the link between the Improvement Objectives and accompanying measures of success, baseline data and targets for improvement is not yet consistent across all seven Improvement Objectives. Some links are very clear and show the intended impact of improvement. The measures of success for the Improvement Objective to improve roads, for example, focus on an overall reduction in the percentage of roads being classed as being in poor condition, and improvement in residents' satisfaction with the quality of roads. It is therefore clear what the Council is seeking to improve.

In some other Improvement Objectives, the measures for assessing whether anyone is better off are not yet as detailed or effective. The Council reports that it intends to address this issue through publishing by the Spring of 2013 the technical guidance which will define indicators to measure success for all the Improvement Objectives and the 'excellence threshold' that the Council is aiming to achieve during the lifetime of the Corporate Plan.

The Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 (the Act) sets out specific requirements for local authorities in Wales. The Act required councils to develop and publish Equality Objectives and a Strategic Equality Plan by 2 April 2012. There is significant alignment between the requirement to produce Equality Objectives and the 'Fairness' element that authorities must consider in setting Improvement Objectives under the Measure. The Council's Corporate Plan includes an equality impact assessment, which includes some information on the Council's equality work, particularly in relation to research and reports on topics relating to protected groups and the Council's future plans for engagement with these groups. We believe the Council has met the requirements of the Act in setting its Improvement Objectives.

## **Improvement Reporting**

### **The Council has discharged its improvement reporting duties under the Measure but it should ensure that it acts more in accordance with Welsh Government guidance**

I have reached this conclusion because:

- the 2011-12 Performance Report meets the requirements of the Measure; but
- there is scope to adhere more closely to Welsh Government guidance by improving the quality of some measures and evidence the Council uses to judge improvement.

### **The 2011-12 Performance Report meets the requirements of the Measure**

I have reached this conclusion because the Performance Report (the Report):

- is available in English and Welsh to download from the Council's website, and versions in Braille and other languages can be provided upon request;
- assesses the Council's performance in the preceding financial year (2011-12) and clearly sets out how the Council has sought to discharge its duties under the Measure;
- includes details of performance as measured by the national statutory performance indicators;
- was published before the statutory deadline of 31 October 2012;
- provides a clear and well-structured focus on the Council's progress in the delivery of its Improvement Objectives; and

- is concise and well written and, for most of the Improvement Objectives set for 2011-12, reports clear outcome-based performance, and links the Improvement Objectives to the tables of statutory and key performance indicators.

The Report includes an explanation of how its contents contribute to the Council's statutory duty to 'make arrangements to secure continuous improvement and account for it'. Like the Plan, its lay-out is structured around the Improvement Objectives.

The Report includes a summary of the Council's 2011-12 performance compared with the previous year and a brief explanation of the main successes and failures in the delivery of some of the key projects assigned to the Council's Improvement Objectives and other strategic priorities. In the 2009-12 Corporate Plan the Council made a commitment to become a 'High Performing Council, Close to its Communities' and chose 19 national indicators to judge its performance. The main body of the Report contains a full list of projects associated with each of the five Improvement Objectives and strategic priorities. Each indicator and performance measure is rated red, orange, yellow or green to indicate the Council's evaluation of the extent to which the intended output or outcome was delivered successfully during the year. Where the output or outcome was not achieved, the Report includes a brief explanatory commentary.

The third section of the Report includes a Corporate Performance Summary using a thematic structure covering: safeguarding; environment and transport; housing; education; and leisure and culture. This section also includes details of the previous year's performance (where available) for each of the indicators, together with a trend analysis and a comparison of 2011-12 performance with the Welsh average.

As part of the Council's commitment to bring itself 'closer to the community' the fourth section of the Report sets out progress in meeting specific improvements across its six community areas. The improvements set for each community area reflect the local priorities agreed during the consultation on the Corporate Plan. The analysis of progress on the community improvements is largely descriptive, such as the section on work in improving the Rhyl Harbour area, and it is not always clear how residents have directly benefited.

The final section of the report summarises the Council's performance against its chosen 19 national indicators, and an outline of its performance management framework. The 19 national indicators are assessed by the Council to be the most suitable basket of indicators by which to judge if it is a 'high performing Council' but a summary which includes all of the 41 national indicators would give a clearer and more comprehensive assessment of progress.

**There is scope to adhere more closely to Welsh Government guidance by improving the quality of some measures and evidence the Council uses to judge improvement**

Each Improvement Objective is supported by a series of activities and measures that are managed and delivered by the appropriate service area and monitored throughout the year as part of the Council's performance management framework. Importantly, the Council has introduced key internal processes within this system to both challenge and manage improvement.

We found that the Performance Report is clearly presented and easy to read and uses a consistent reporting structure to evaluate and report performance for each of the Improvement Objectives. Improvement Objectives are cross cutting and recognise and promote integration across services and departments to effectively deliver the intended improvement. The Report includes some comments on areas where progress in delivering actions has been slow, or performance has fallen. For example, with regard to the indicator for the risk management of adult protection referrals, the Council notes that performance has declined, and outlines why this has happened.

We identified a number of aspects in which the Report does not adhere as well as it might to Welsh Government guidance. In particular:

- The Report does not provide a rounded summary of progress against aspects of some Improvement Objectives. For example, it is a key Welsh Government priority that all social housing should comply with the Welsh Housing Quality Standard (WHQS). The Council has reported WHQS performance through the various structures of its performance management framework, but this information is not included in the Performance Report. The proportion of Council-managed social rented homes that met the WHQS has increased to 86 per cent in 2012 but nowhere does the Report note that the Welsh Government target is for all homes to meet the WHQS by March 2013. The latest estimate indicates that the target will not be achieved in Denbighshire until the end of 2013.
- In some of the Improvement Objectives the focus of activity is very narrow and does not allow for a rounded assessment of progress. For instance, the regeneration Improvement Objective Outcome on sustainable economic growth is narrowly focussed on three indicators, and a further three performance measures. No additional measures or actions have been included, for example, on either sustainability or quality of accommodation. These are equally as important as existing indicators on house prices, and the absence of this information presents only a partial picture of how well the Council is performing in this area.

- There is also only very limited reference in the Report to the status and outcomes of the Council's current regional and sub-regional collaborative projects. There is no reference in particular to recent performance difficulties with the Highways collaboration project with Conwy County Borough Council and the implications for Denbighshire of the reported overspend in 2011-12 on the Conwy Home School Transport budget, which has been the subject of a recent joint report by Conwy and Denbighshire's Internal Audit service.

### **Corporate arrangements for co-ordinating and reporting performance support reliable self-evaluation**

My Annual Improvement Report (January 2012) concluded that the Council's performance management arrangements were soundly based and developing satisfactorily with clear and effective leadership by senior officers and councillors. This continues to be the case. The performance scrutiny committee and the twice-yearly service challenges receive performance information of consistent quality and in an easily understood format. In addition to the service challenge the Council's Cabinet reviews performance on a quarterly basis. There remains scope to improve the quality of questions asked by some committee members at service challenges to ensure a more consistent focus on the right issues.

We found that the Council has created a strong central policy team that oversees, co-ordinates, and actively manages performance. This has enabled the Council to implement a well-understood and consistent system for performance management. Staff within services acknowledge that they are responsible for their performance and understand how their work relates to delivering the Council's Improvement Objectives and corporate priorities.

In June 2012, we reported the results of our audit of the accuracy of a sample of the Council's performance indicators. Though our sample was smaller this year than in the past, the results were satisfactory and we qualified none of the Council's performance indicators.

There are examples of strong self-evaluation within individual services. The Care and Social Services Inspectorate Wales (the CSSIW) has concluded that the Director's report<sup>1</sup>, demonstrated that clear leadership and performance management arrangements are in place and the Director's report gives a comprehensive and detailed explanation of the past year, setting the local context with a clear account of the achievements and challenges Social Services has faced and continues to face. It makes reference to the Council's achievements and future plans, and acknowledges areas where performance still needs to improve, or where service developments have not yet been achieved. The report also explains why changes that may not be immediately popular are being made, and provides an opportunity for readers of the report to provide feedback. The Council has provided the CSSIW with detailed position statements for adult and children's services plus supporting evidence.

### Further proposals for improvement

We make some new proposals for improvement in this letter. We will continue, as necessary, to monitor and report on the progress made by the Council in implementing the proposals set out in my previous reports and letters.

#### Proposals for improvement

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|----|---|
| P1 | Provide a wider evidence base of information to enable the Council to assess whether it has met its Improvement Objectives. |
| P2 | Include more information on the status and outcomes of the Council's collaborative projects.                                |

Yours sincerely



Huw Vaughan Thomas  
Auditor General for Wales

Cc Carl Sargeant, Minister for Local Government and Communities

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<sup>1</sup> An annual review of a Council Social Services performance undertaken by the CSSIW which includes an assessment of a Council's self-evaluation of its performance (often called the 'Directors report'). The CSSIW provides an overall evaluation of performance and identifies areas of progress and areas for development.