



WALES **AUDIT** OFFICE
SWYDDFA **ARCHWILIO** CYMRU

Annual Improvement Report

Blaenau Gwent County Borough Council

January 2011



Annual Improvement Report by the Auditor General for Wales

This report is written by the Wales Audit Office on behalf of the Auditor General for Wales. (An explanation of what the Auditor General does is at Appendix 1). It is a new report that he is required to publish about how well Welsh councils are improving their services. With help from other inspectors like Estyn (for education) and the Care and Social Services Inspectorate for Wales, we have brought together a picture of what the council is trying to achieve; how it is going about it; and what it needs to do to improve its approach to improving services.

This Annual Improvement Report sets out that picture and each year we will produce a report to let you know what progress Blaenau Gwent County Borough Council (the Council) has made. We have not covered all the services the Council provides. We have focused on a small number of things, especially those things that the Council has said are its priorities for improvement.

We want to find out what you think of the services the Council is providing in your area and will be giving you an opportunity to comment in the future. In the meantime we would like to know whether this report gives you the information you need, and whether it is easy to understand. You can let us know your views by emailing us at info@wao.gov.uk or writing to us at 24, Cathedral Road, Cardiff CF11 9LJ.

The Wales Audit Office study team that assisted in preparing this report comprised Alastair McQuaid and Nick Selwyn under the direction of Jane Holownia.

This report has been prepared by the Wales Audit Office on behalf of the Auditor General for Wales as required by the Local Government (Wales) Measure 2009. The Auditor General for Wales assesses the compliance of Welsh improvement authorities (county councils, county borough councils, national park authorities and fire and rescue authorities) with the improvement requirements of Part 1 of the Local Government (Wales) Measure 2009.

The Auditor General for Wales and his staff together comprise the Wales Audit Office. For further information about the Wales Audit Office please write to the Auditor General at 24 Cathedral Road, Cardiff, CF11 9LJ. Telephone 029 2032 0500, email: info@wao.gov.uk, or see website www.wao.gov.uk.

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What kind of area is Blaenau Gwent?

- 1 Blaenau Gwent covers an area of 109 km² and is the smallest local authority area in Wales, accounting for 0.5 per cent of the total area of Wales. Blaenau Gwent borders the unitary authority areas of Monmouthshire and Torfaen to the east, Caerphilly to the west and Powys to the north. Its main towns are Abertillery, Brynmawr, Ebbw Vale and Tredegar.
- 2 Based on the latest mid-year estimate (2009), the population of Blaenau Gwent is 68,630 living in approximately 30,619 households. In terms of population size it is the second smallest Welsh local authority. Just over 18 per cent of the population is aged 16 or under. A similar but increasing proportion is aged 56 and over. Projections show that the population of Blaenau Gwent, which has declined in recent years, will increase by just over four per cent to 71,399 by 2033.
- 3 The area presents many significant challenges to public services. Complex community needs create high levels of demand for services. Levels of social and economic deprivation and poor health are amongst the worst in Wales. Female life expectancy in Blaenau Gwent is 78.8 years, the lowest in Wales. The Welsh average is 81.4 years. Male life expectancy is 75.3 years, which is lower than the Welsh average of 77.0 years and is the second lowest in Wales.
- 4 The demise of traditional steel and coal industries has left the county borough with the highest unemployment levels in Wales at 35.2 per cent. The number of job seekers allowance claimants has doubled in the last five years. Average weekly earnings in Blaenau Gwent in 2009 were £439, the fourth lowest in Wales. Nearly a third of pupils in Blaenau Gwent aged between 5 and 15 years old are entitled to free school meals, the highest proportion in Wales¹.

geographic area
109 km²
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population
68,630
//////////

18% aged <16
18% aged >56
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¹ For further information about the area please see [Appendix 2](#).

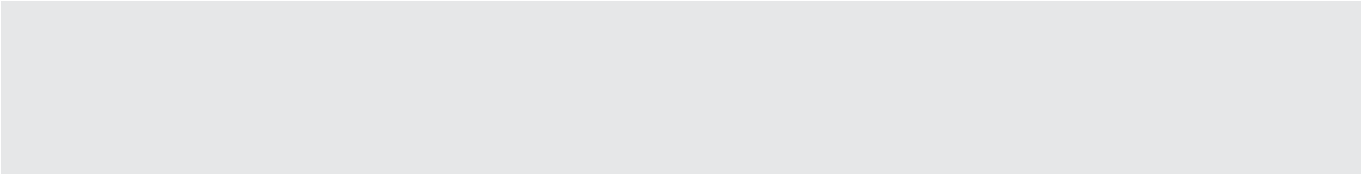
Is Blaenau Gwent County Borough Council well managed?

- 5 In October of last year, the Wales Audit Office produced a Corporate Assessment Report commenting on how Blaenau Gwent County Borough Council (the Council) is organised and managed. Our findings are set out in [Appendix 3](#). If you want to read the whole Corporate Assessment Report you can find it on the Council's website or on the Wales Audit Office website at www.wao.gov.uk.
- 6 The overall conclusion of that report was that: 'the Council can point to some necessary improvements but is yet to develop the coherent strategic approach needed to address the major challenges ahead'.
- 7 In other words, whilst some services are improving, the Council needs to be more systematic in choosing where it will focus efforts to make improvements where they matter most and assess how it will cope with increasing demands for services and reducing funding in the future.
- 8 We highlighted the Council's success in attracting funding to the area to support regeneration and that it had been working hard to improve how it manages its staff and involves citizens in planning its services. We found that although some services manage their performance well, the Council recognises that there are other parts of the Council where improvement is held back by traditional approaches that need to change. The Council has strengthened how it makes and reviews decisions and holds people accountable for them but needs to make sure that it does this more consistently.
- 9 Since we produced the Corporate Assessment report, the Council has engaged external consultants to help it improve how it plans its finances and also how the Council plans to use its assets. It has continued to improve how it gathers information from citizens on what is important to them, and has made some significant and politically-sensitive decisions that will help it to make improvements in the future in relation to some key Council priorities. These include transferring housing stock, rationalising schools, closing care homes, selectively switching off street lights and fortnightly residual waste collection.
- 10 The pressure is growing on all public services to make the very best use of all their resources. The auditor appointed by the Auditor General has given his opinion on the Council's accounts. His Annual Audit Letter, which provides information regarding the accounts, use of resources and the Council's Improvement Plan is included in this report in [Appendix 4](#).
- 11 The money the Council spends comes mostly from central government which provides revenue and capital funding. Revenue funding pays for the services the Council provides and the staff the Council employs. Capital funding is used to pay for infrastructure such as buildings, roads and large equipment purchases. In addition to the money the Council receives from central government, the Council raises funds through council tax and from fees and charges. It may also generate some income from selling off surplus land and buildings it owns.

- 12 The Council has to set a revenue budget to manage within available funds at the beginning of each financial year. It then monitors actual expenditure against this. The Council has a good track record of managing within the budgets it sets. Because it serves a relatively small population, the total amount the Council spends on delivering services is low compared with other Welsh councils. However, high demand for services means that expenditure per head of population is consistently amongst the highest of all Welsh councils. In 2009-10, the Council's revenue expenditure was £133.290 million and for 2010-11 it plans to spend £134.408 million. Education accounts for the largest proportion of this, approximately 41 per cent, and social services, 25 per cent.
- 13 Only £23.1 million, or 18 per cent, of revenue expenditure is funded from council tax, the second lowest proportion of Welsh councils. Arrears of unpaid council tax have increased in recent years. At the end of March 2010, the Council was owed £3.503 million in unpaid council tax placing them thirteenth out of 22 Welsh councils and representing £113 per chargeable dwelling, the highest in Wales. The Council's performance in collecting non-domestic rates is also the poorest amongst Welsh councils.
- 14 The Council receives the highest level of central government funding per head of population of all Welsh councils². It has also been very successful in attracting funds from central government and the European Union for significant building and transportation projects aimed at regenerating the area. The Council gets approximately £5.5 million for its annual capital programme, but it has attracted additional funds of between £50 million and £80 million per year. In-year capital expenditure for 2009-10 was £39.3 million. The Council has made use of other sources of funding too, including using borrowing to support initiatives that require initial investment to realise savings later and also transferring its housing stock to the private sector to gain access to the levels of investment necessary to improve housing quality.
- 15 Due to the financial climate, almost all public services face reductions in funding. Revenue funding is the money that councils spend running and managing their services. The Council will see a reduction of around £1.874 million (1.7 per cent) in the revenue funding it gets from the Assembly Government for 2011-12. Once inflation is factored in, that means a real terms³ cut of around £3.947 million (3.58 per cent). Indicative Assembly Government figures show further real terms reductions in the Council's revenue funding for 2012-13 and 2013-14.
- 16 The capital funding available to the Council is also set to reduce considerably. Because councils make bids for capital funding, it is not possible to be entirely clear about how much each council will get. The total sum of capital available to Welsh councils will fall by 14 per cent in 2011-12 (a real terms cut of 18.5 per cent). There are no official figures for local government capital spending beyond 2011-12 but it is likely to be in line with a general reduction in the Assembly Government's capital spending, which will be cut by around 34 per cent (around 40 per cent in real terms) between 2010-11 and 2013-14.

² Source: Assembly Government/Stats Wales

³ Real terms means the effect of inflation is taken into account. There are lots of different measures of inflation. The figures used for public sector budgets come from the Treasury's GDP deflator series.

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- 17 The cumulative effect of these reductions, combined with other factors that affect demand for services, such as the increasing age profile of the population and the social impact of the recession, will place significant pressures upon councils. If levels of central funding that councils receive are cut significantly, Blaenau Gwent could be hit particularly hard. The Council is pursuing initiatives to mitigate the risks associated with its dependence upon external finance and has identified key principles and steps aimed at minimising the impact of funding reductions upon staff and frontline services.
- 18 Over the three years from 2005-06 to 2008-09, the Council reported that it had made year on year efficiency savings of £5.86 million as well as other savings within budgets. The Council has identified that it needs to make savings of nearly £10.5 million in the next three years. It plans to do this by cutting the costs of supplies and transport and also by reducing staff, although it hopes to avoid compulsory job losses. For 2009-10, the Council reported that it had achieved £1.808 million of savings through better procurement, streamlining support functions, making better use of staff and modernising services. In our Corporate Assessment Report, we told the Council that they needed to develop better plans that work together to make improvements for citizens whilst achieving savings and that are supported by having the right numbers of staff and skills to change and modernise services.

Does Blaenau Gwent County Borough Council know what it needs to do to improve?

Planning to improve what matters most

19 The Assembly Government wants to make sure that councils can always show that what they do reflects clearly what is most important for local people and results in improvements in people's lives. So that councils focus on making a difference to the things that matter most, the Assembly Government requires councils to publish plans for improving their services and how they will go about doing so. Councils are also required to set 'improvement objectives' that support the main priorities that it is aiming to improve each year, and then to report what they have achieved. Ten key things that the Council has decided to concentrate on improving have been identified as improvement objectives for 2010-11. The Council has decided to:

- undertake a formal consultation exercise in relation to proposals for post-16 education on the steelworks site to contribute to the transformation of education and learning in Blaenau Gwent;
- contribute to the reduction of the number of young people who are not in employment, education or training post-16, or are at risk of falling into this category;
- review and improve foster carer recruitment and retention to improve placement choice for looked-after children;
- promote and enable the independence of service users through the provision of extra care housing and modernising domiciliary care;
- further develop waste services that divert waste from landfill and improves recycling and composting rates;
- develop methods of service delivery which improves the cleanliness of the county borough;

- maintain and improve the highways network to contribute to a safe and effective transport infrastructure;
- further develop and improve channels of access to Council services for citizens;
- provide direct support and assistance to local businesses to sustain investment and economic regeneration; and
- maintain and improve town centres through physical regeneration and town centre management⁴.

20 The Council must publish its improvement objectives as soon as practical after the beginning of April each year. In this transition year, the Council adopted its improvement objectives in July and did not publish them or make them readily available to citizens at that time. They are now included in the Council's review of the Corporate Improvement Plan 2008 – 2012, (CIP) published in October and available on the Council's website and at public buildings. The CIP will also be available in summary form to be distributed in November. Next year, the Council intends to publish them earlier.

21 The Council has agreed with partner organisations that serve the area, such as health and police, how they will work together in relation to Assembly Government all-Wales priorities and what differences they will make for people over the coming year. This information, including the Council's improvement objectives, is laid out in the CIP under four broad strategic themes that support the Council's overall vision of making Blaenau Gwent 'a better place to live and work' and reflect what citizens told the Council mattered most to them.

⁴ See Appendix 3 for further details.

22 We examined how well the Council involved local people and organisations that work with and for it, in deciding what it should make a priority. The Council has put a lot of effort into community consultation and engagement to inform the Blaenau Gwent Community Strategy, which the Council developed jointly with partner organisations and which has recently completed a period of public consultation which received strong partner support. The Council's priorities and improvement objectives link directly to the Community Strategy and so reflect local needs and ambitions clearly. They also link clearly to other plans that the Council is required to produce with its partners, covering important areas such as health, social care and well-being, children and young people and also community safety. The CIP includes information on how the results of public consultation have influenced improvement objectives. However, it does not show how other stakeholders who may have an interest have been involved, for example, local businesses in relation to improving town centres. Although contact details for further information are included, the CIP does not tell people how they can become involved and contribute their views in future. The Council should include this in its CIP summary which it is required to publish before the end of November.

Showing how people benefit from what the Council does

23 The Council should demonstrate how people will be better off if it improves as it intends to. The Council has set out how its improvement objectives link to its strategic themes and has included a description of what success would look like. However, the measures that the Council has in place so far do not always show clearly whether anyone will be better off if it achieves its improvement objectives. This is because measures sometime relate to completing an action rather than achieving a result and also because

information on the Council's current level of performance or the target for improvement is not always available.

24 We reviewed the measures the Council intends to use to show whether its improvement objectives are successful and also looked at how the Council has shown evidence of improvement in the past. Overall, in common with many other councils, performance measures are usually based on National Strategic Indicators (NSIs) of performance which do not always show whether local people are receiving good services or are better off. The Council has developed few locally focused indicators, and in the past, improvement targets have not consistently been linked to the Community Strategy or CIP priorities and were not always challenging. Consequently, there is limited information on whether what the Council has done benefits anyone; users' experiences of receiving services and whether people are satisfied; although there is more of this type of information for social services. The Council recognises that it needs to develop better measures that are clearly linked to outcomes as well as robust information on unit costs.

25 The Council is committed to working in collaboration with local partners within Blaenau Gwent and also with neighbouring councils to improve people's experience of services and also to make savings. The Council and its partners have consulted widely on local priorities and jointly developed a Community Strategy that sets out what they intend to do together. However, arrangements for collaboration can take a long time and a lot of effort to set up, and cannot always show that they are producing the intended benefits. Although the Council and its partners can identify examples of effective partnership working, more work is needed by the Council and its partners to demonstrate consistently how partnerships benefit the public and the participating organisations.

26 Although evidence of need underpins some Council strategies, currently, the Council does not have all the information it needs about whether the demand from local people for the services it provides may change due to the recession, and how any changes may affect its plans. The Council recognises that it needs to get better at predicting demand, setting targets, monitoring progress and also measuring and reporting success. It can apply this approach to how it manages improvement more widely, not just in relation to its improvement objectives. The Council is making improvements to how it gathers and uses information to help it to make sure that important decisions are based on a clear understanding of what is already provided, how well it is working, how much it costs and what else is needed. The Council has started to make effective use of a pan-Wales performance management system, Ffynnon⁵, to help manage and demonstrate improvements for people.

27 It is important for the Council not only to have information on the right things but also that the information is accurate. We audited the Council's systems for managing and reporting its key Performance Indicators (PIs) in 2010. We found that all 38 NSIs, which every council is required to report performance against, were substantially accurate, although 12 indicators needed to be corrected because we found some errors. The Wales Audit Office undertook a review of the Council's evidence submission to the Assembly Government to support achievement of its improvement agreement targets in relation to Assembly Government national priorities. We concluded that the Council only met some of the targets, only made progress in delivering some of the actions and the outcome of activity in many improvement agreements was not demonstrated. Nonetheless the Council was notified that it will be allocated the full grant by the Assembly

Government. The Council is making effective use of Ffynnon to evidence improvement but a small number of targets were not always challenging and some evidence from national PIs needed to be supplemented by local indicators. The Council is continuing to take steps to improve the accuracy of its performance information and robustness of its evidence of improvement.

28 Finally, we evaluated how well the Council's plans support its efforts to improve and if it could afford to pay for these improvements. Generally, because the Council's improvement objectives are not new initiatives, they are expected to be funded and managed through existing budgets and plans, supported by an invest to save budget of £1 million. An exception to this is the objective to maintain and improve the highway infrastructure where additional funds are needed. However, the Council does not yet know if funds are available. The Council recognises that in the current financial climate, it needs to be more confident that cuts in government funding will not prevent it from making the progress it wants to make in its priority areas. Therefore, it is working to improve its financial planning for the next few years. We will review the Council's plans as they develop, we will comment on whether they will support its efforts to do better and we will also look at whether the Council has actually made the improvements for local people that it intends.

⁵ 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.

Is Blaenau Gwent County Borough Council serving people well?

- 29 Through the Auditor General's Improvement Assessment, we hope to gradually build a picture of how well the Council is serving local people. In order to do that, each year we will examine the Council's services and some of their objectives for improvement as they relate to three important aspects of life in Blaenau Gwent. We think that, together, they cover the main things that all councils do. They are:
- helping to support people in need;
 - helping people develop; and
 - helping to create a safe, prosperous and pleasant place to live.
- 30 In this year's assessment, we have looked at how the Council has chosen and developed its improvement objectives under these aspects. We recognise that this is a transition year as the Council and the Wales Audit Office implement in full the requirements of the Local Government Measure 2009. The Council is continuing to refine its approach to improvement objectives and has been receptive to feedback on how it can improve them for 2011.
- 31 This report does not aim to give a full or balanced picture of the Council's performance across the range of functions it undertakes and the services it provides. Instead it concentrates on particular areas that the Council has said it wants to improve, why it has chosen to improve them, how the Council intends to do it and how it will account what it achieves.
- 32 The national strategic indicators (NSIs) which all councils are required to report tend to focus on the quantity of activity rather than the quality of outcomes. So they do not necessarily provide a good basis for showing that local people are better off as a result of what the Council does or for comparing how well different councils are serving people. However they are the main source of publically available comparative data on the performance of councils in Wales. The Assembly Government does not expect councils to achieve continuous improvement against all of the indicators. Reductions in public funding mean that all councils will need to make explicit decisions about priorities, which may lead to their performance declining in some areas. In our Corporate Assessment we identified the need for the Council to identify minimum service standards for non-priority areas against which performance can be monitored, to ensure that acceptable standards of service are maintained.
- 33 Currently the Council's results as measured by NSIs are variable and show no clear trend towards improvement, either overall or in relative performance compared with other Welsh councils. Nevertheless, some services performed well in 2009-10. These include trading standards, housing and children's services. Adult social services were also fair overall with some good area of improvement such as service responsiveness. Waste services improved but from a low base. Other services gave a mixed picture such as planning, leisure, roads and transport. Education results were poor. Six education indicators showed improvement compared with other councils but eight deteriorated and five were unchanged and ranked lowest out of 22 councils. The Council has not included performance information against all of the NSIs in the CIP but has included a link to its website which provides all of the information.

Is Blaenau Gwent County Borough Council supporting people in need?

- 34 Because of high levels of social and economic deprivation, Blaenau Gwent is an area in which many people have significant physical and mental health and social care needs that require support from the Council and its local partners. These partners collaborate to identify needs and to plan and provide services and work together to develop a Health, Social Care and Well-being Strategy, known locally as Healthier Future. A new version of this strategy is being consulted on at present and has helped to inform the Community Strategy for the area as well as the Children and Young Peoples' Plan which focuses on tackling child poverty, the CIP and improvement objectives.
- 35 Councils administer housing and council tax benefits on behalf of the Department for Work and Pensions (DWP). Incorrect benefit payments generally happen when either the council has paid too much benefit or the claimant has not claimed appropriately. Councils must keep overpayments to a minimum whilst also promoting robust but sensitive recovery of the debt. In 2008, DWP reported significant improvements in the general standard of administration of benefit payments but noted that overpayment of benefit had increased, particularly arising from customer errors. According to DWP statistics, in 2008-09, the Council identified £1.126 million, representing 4.2 per cent of benefits as overpayments and recovered 79 per cent of in-year debt. The averages for Wales were 4.9 per cent and 65 per cent.
- 36 The Council's systems to prevent and recover overpayments were assessed by the Wales Audit Office. We concluded that in 2008-09, due to satisfactory preventative arrangements, the Council overpaid £440,000 (1.8 per cent) less benefit than in the previous year and is recovering 18 per cent more of 'in-year debt'.
- We recommended that the Council should: introduce accuracy checks prior to making any payments to ensure that the claimant is paid the right benefit at the right time; develop a full range of local indicators and individual targets to assess and manage performance; and extend the use of streamlined court action and debt collection agencies to the collection of smaller debts.
- 37 The Wales Audit Office is co-ordinating assessment work at councils with our work in health. We are looking at how well the Council works with the Aneurin Bevan Health Board (ABHB), which has responsibility for health services across an area covering Blaenau Gwent and neighbouring councils. The councils, health board and other local partners work together to co-ordinate the planning and delivery of health and social care services for vulnerable people. ABHB is a fairly new body which replaced the previous structure of five smaller local health boards and a trust. Relationships between the health board and the five councils it covers are evolving as new structures and posts within ABHB bed-in and arrangements for joint working continue to develop. Our work is ongoing and will be reported in 2011.
- 38 Recently, the Council along with nine partner councils in south east Wales won a Welsh Local Government Association excellence award. The South East Wales Improvement Collaborative (SEWIC) Children's Commissioning Programme was established to improve outcomes for children and young people who are looked after, achieve better value for money and increase placement choice for looked-after children and young people. A Regional Commissioning Unit has been established and reports saving over £500,000 in costs avoided.

- 39 The role of the Care and Social Services Inspectorate in Wales (CSSIW) is to make professional assessments and judgments about social care, early years and social services and so encourage improvement by the service providers. It works on behalf of Welsh Ministers, but there are a number of safeguards in place to ensure its independence. Under new legislation there is a new framework in place for local authority social services inspection, evaluation and review.
- 40 Directors of social services are required to produce an annual self-assessment report on how well services are being delivered. The CSSIW will then undertake a review and analysis of evidence underpinning the report, including evidence from other regulators and inspectors. This analysis will result in an individual inspection and review plan for each council. The CSSIW's analysis, and the inspection and review plan, will be set out annually in a published letter.
- 41 2009-10 is the first full year of the new framework with the purpose being to establish a baseline of current performance. The key messages of the letter issued in December 2010 are summarised below.
- 42 The Corporate Director and senior managers in Social Services have provided effective leadership during the year. There is clear accountability at all levels and there is an open and learning culture that engages staff in helping to shape service modernisation. Following the departure of the previous longstanding director, new arrangements were introduced for 2010-11 with the new director no longer carrying responsibility for education and leisure services. The directorate has received continuing corporate and cross party political support. Councillors and senior officers have effective arrangements in place to hear directly from service users, including looked-after children, for example in advising the Scrutiny Committee. Scrutiny remains, however, an area for further development to ensure effective challenge and focus on promoting better outcomes for service users and carers. Partnership arrangements to sustain and develop services for the future are also an area for further focus for the new director and the senior management team.
- 43 The Council continues to modernise its services with corporate and political support and is developing joint service provision with the local health board, including joint mental health teams, and also works well in partnership with neighbouring authorities. Relationships between social services and independent providers are improving. Adult and children service priorities are incorporated into the strategic service partnership plans and boards across the Council, including the safeguarding agendas for children and adults. The Council has effective commissioning strategies that drive the modernisation agenda. However, there have been capacity difficulties in respect of commissioning and contracting practice. The Council has recently introduced more posts to ensure service quality and better alignment of commissioned services and how they deliver better outcomes for service users and value for money services for the Council. Effective financial management systems are in place across social services with managers continuing to focus on cost pressures associated with adult learning disability services, services for looked-after children and adoption services. The Council has given priority to securing social service's budgets in the medium-term financial plan.

- 44 The Council has a relatively stable workforce across children and adult services with a mix of experienced and newly qualified staff. Staff morale is good. The Council has an improved induction programme in place for new staff, with protected caseloads in children's services. The Council provides a range of training and professional development opportunities, including multi-agency training as part of its Social Care Workforce Development Partnership. There has been an increase in social work posts in children's services to address capacity issues in assessment and care management teams and these have made a demonstrable difference in providing better care planning and service delivery. Arrangements for assessment, care management, supervision and review are well-developed across social services and performance management information systems support effective management action. The Council needs a continuing focus on the effectiveness and quality of intervention and how this leads to better outcomes for service users. IT systems are improving but need further strengthening at the front line in regard to service user information and consistency in recording key information.
- 45 The Council has effective contact and access arrangements in place for children and adult service users. It has set up a single contact centre for children and adults 'Connect 2 Blaenau Gwent' (C2BG) that has specialist staff who respond to social services enquiries. While adult users and carers are effectively involved in planning their service packages, the Council should strengthen how children's voices help shape service provision. It should also ensure the impact and effectiveness of service developments are rigorously evaluated.
- 46 The Council has developed an effective strategic approach to delivering better outcomes for adults and older people within their local communities. In-house adult services are of good quality and support independence through community based packages of support. The Council supports more adults in the community and fewer in residential care as a result. Adult protection services are effective in identifying adult protection concerns, taking prompt and appropriate action and then working to improve individual circumstances. However, the Council recognises that it needs greater consistency in the way it manages processes for protection of vulnerable adults. Support to carers of adults, and to young carers, to support greater social inclusion in the community is also an area for further development.
- 47 The Council has dealt with more referrals to children's services over the last three years, including protection referrals. It has managed this increased demand well and provides a good range of children's services focused on delivering an outcome-based approach to planning for permanency. Fostering and adoption services are working well, but the Council should develop greater local provision for looked-after children and a wider choice of adoption placement. The quality of decision-making is sound and risk-based. During 2009-10, all referrals to children's services had a management decision made within 24 hours. All children on the child protection register have an allocated social worker and there is evidence of continued improvement across safeguarding processes.

48 Child safeguarding arrangements are good. Multi-agency arrangements for protecting vulnerable children at potential risk of harm are good. The Council is improving provision for disabled children and their families, including through a retained foster care service providing short breaks for children. Transition arrangements for young people are an area for development. The Council is setting up new transition services, including partnership arrangements, for disabled young people and through its new 16+ team for care leavers. The Council should ensure these services are evaluated.

Improvement objective – Review and improve foster carer recruitment and retention to improve placement choice for looked-after children

49 Making improvements to foster care that will make a difference to vulnerable children is a worthwhile objective for the Council. The inquiry report following the death of Victoria Climbié in England, included a recommendation that ‘chief executives and lead members of local authorities with social services responsibilities must ensure that children’s services are explicitly included in their authority’s list of priorities and operational plans.’

50 Generally, Welsh councils are experiencing increases in the numbers of children who need to be looked after. Levels of demand for services for looked-after children are comparatively high in Blaenau Gwent but so far, the Council has not experienced the same recent increases as other Welsh councils and in fact there has been a small decrease in the numbers of children looked after by the Council, from 130 in 2007-08 to 119 in 2009-10. Over the same period, the number of children that the Council is managing to support to stay with their families has increased from 347 to 487. This represents positive outcomes for children and families.

51 Recently, CSSIW undertook reviews of the Council’s adoption and fostering services. They found that the Council’s services are positively focused on making improvements for children and families, and where appropriate, securing a permanent home for children. The Council has been successful in recruiting social workers although there is a national shortage of them. This meant that in 2009-10, 99.8 per cent of open cases of children looked after had an allocated social worker. This placed the Council tenth out of 22 authorities and above the Welsh average of 92.3 per cent. The services are well-managed and have appropriately skilled staff although good practice by some staff was not always picked up by others. Services are responsive, assessments are undertaken promptly and decisions are made quickly. The Council recorded a 100 per cent rate for the percentage of first placements of looked-after children during the year that began with a care plan in place in 2009-10. This placed it as one of the best performing councils in Wales.

52 CSSIW found that fostering and adoption services are well-developed but more placement choice is needed and an up-to-date recruitment strategy for foster carers and adoptive parents needs to be developed. In 2009-10, 10.9 per cent of looked-after children had three or more placements during the year. The Welsh average was 10.2 per cent. Better recruitment and retention would help the Council to improve continuity of care for vulnerable children. The Council is working with neighbouring councils to do this and having an improvement objective to improve recruitment and retention will help them focus on making it happen.

53 However, the Council has not provided a baseline of present performance against which improvement could be assessed. It has not set targets for improved recruitment and retention or identified dates by when an improvement should be achieved. So, we cannot gauge how ambitious the Council is being. The Council has included some supporting information that indicates that it wants to improve levels of qualification amongst foster carers but has not identified how children benefit from qualified carers. Although it is not unreasonable to expect that children will benefit from the improvement objective, the Council has not set out how they will or how the Council can show that they have. Where the Council has this information elsewhere it should include it with the improvement objective.

Improvement objective – Promote and enable the independence of service users through the provision of extra care housing and modernising domiciliary care

54 The improvement objective is clearly linked to the Council's strategic themes and CIP, and we are aware that the Council is already planning and doing activities that will all contribute to achieving it. It also supports the Council's Older People's Strategy.

55 The Council has been making progress towards improving standards of accommodation available for elderly people and has made difficult decisions to close some care homes and develop new 'extra care' provision that helps people to live independently but provides the care they need. The Council has completed the first phase of this re-provision and is planning the next phase.

56 Good quality care in the community can improve people's well-being and reduce the need for people to go into hospital or into care homes. It can shorten the time those who need to be in hospital take to recover, by making sure they have the support they need to go home or appropriate care if they cannot. This avoids hospital beds becoming blocked. It can enhance people's quality of life by supporting them in the community for longer and delay or even negate the need for them to go into care homes.

57 In recent years, the number of delays to people leaving hospital has been very low, but for 2009-10 has increased to 7.81 per 1,000 population, aged 75 years or over, placing the Council seventeenth of 22 Welsh councils. The Council is participating in a partnership with neighbouring councils, the Gwent Frailty Project, which has just secured national funding and aims to improve community support, extend independence and also reduce hospital admissions and delayed discharges. We will monitor the project as it develops to identify good practice and assess whether it is achieving improved outcomes for users and carers. Alongside these initiatives, the Council intends to encourage greater take-up of the direct payments scheme which gives people more say in how their care is provided. Currently, uptake of this is very low in Blaenau Gwent compared with the rest of Wales.

58 With the existing wording of its improvement objective, 'promote and enable the independence of service users...' the Council could achieve its objective by promoting independence without anyone actually being better off. The improvement objective would be more outcome-focused worded something like 'increase independence of older people through extra care and modernising

domiciliary care.’ In addition, the Council has not made it explicitly clear who it intends to benefit, just existing service users or all older people who meet the Council’s eligibility criteria and who could benefit.

- 59 Over the last five years, the Council has reduced the numbers of elderly people in care homes and increased the number of people who, with support, are able to remain in their own homes. The Council now spends more on community based care than it does on institutional care. The improvement objective should support this trend although the Council has not set out how it intends to measure independence to show what improvement has been achieved or how domiciliary services can support independence. Links to national PIs or local measures are weak. Very little baseline data is included in the supporting information for the improvement objective and is focused on budget issues rather than quality and improved independence. The Council does have relevant information elsewhere and will need to address these omissions and weaknesses when monitoring and reporting its improvement objective in order to show clearly that elderly people have benefitted from increased independence.

Improvement objective – Further develop and improve channels of access to Council services for citizens

- 60 This is a legitimate improvement objective because it fits both with the Council’s strategic themes of the Council as a business and with the Assembly Government guidance improvement aspects of service availability and innovation.

- 61 The Welsh Language Board (WLB) works with local authorities to help them develop their statutory Welsh Language Schemes (WLSs) that outline the way in which they provide services to the public in Welsh. The primary responsibility for the range and standard of services rests with the authorities who provide them, working in accordance with the statutory framework and guidelines of the WLB. Every local authority is expected to provide the WLB with an Annual Monitoring Report that explains how its scheme has been implemented. This allows the board to offer advice as to how a council might improve its local arrangements. The board also undertakes its own reviews to assess the provision of Welsh language services and to promote improvement.
- 62 The WLB found that the Council went some way in complying with its WLS in respect of electoral documentation, but less so with its website. The Council will now be expected to deliver an improvement plan to address these problems. The WLB has concerns about the Council’s ability to offer certain face-to-face services in Welsh. The Council has begun to implement its Linguistic Skills Strategy, but there has been some delay in approving a revised WLS and there is currently a lack of data on performance. As a result, the Council is at risk of being unable to offer services to the public in accordance with its WLS and unable to plan for the long term.
- 63 In 2009, 15.5 per cent of the population of Blaenau Gwent could speak Welsh compared with just below 26 per cent of the Welsh population, the second lowest proportion of Welsh local authorities. In 2009-10, the percentage of pupils assessed in Welsh as a first language at the end of Key Stage 2 is 3.8 per cent, below the Welsh average of 19 per cent. At Key Stage 3, the

Council reports that no pupils were assessed in Welsh because Welsh medium education for pupils from Blaenau Gwent is provided outside the County Borough. The average is 16 per cent.

64 The Council is already trying to find ways of improving service users' experiences of dealing with them. An example is within benefits claim processing, the Council reports significant improvements in the way phone calls dealing with new claims and queries are handled, reduced process times and improved user satisfaction. Face-to face contacts have reduced by 40 per cent and the time taken to process new claims has reduced from 45 to 21.3 days and dealing with change of circumstance has reduced from 35.3 to 8.6 days. This improvement is a result of a systems thinking review conducted by the Council.

65 The Council has worked with partners and the public to draft a Customer Service Strategy which will be presented to Executive for endorsement in early 2011. This objective supports this strategy and reflects the CIP. The Council is improving its understanding of customer demand. The data that the Council's C2BG contact centre gathers from dealing with the public is a potentially good source of information but so far, the Council is not analysing it. However, the Council is currently looking at how best to use the information held by the various teams and how it can be analysed to support improvements within the Council and for service users.

66 Despite the range of activity the Council is undertaking to improve customer service, it is unclear how citizens will benefit from this improvement objective. It is not apparent how some of the supporting activity contributes to the improvement objective. Much of the supporting activity is focused on either increasing awareness of services rather than measuring uptake, particularly amongst hard to reach groups or upon improving outputs of internal processes. The Council accepts that there is more work to do within services to ensure they refine their improvement objectives to be more focused on outcomes for citizens and improve the supporting measures and performance information accordingly.

Is Blaenau Gwent County Borough Council helping people to develop?

- 67 High levels of unemployment and social and economic deprivation in Blaenau Gwent are factors affecting levels of pupils' attainment in schools and levels of skills and qualifications amongst young people and adults. In 2008, Blaenau Gwent had the fifth highest rate of children living in workless households amongst Welsh local authorities. However, the performance of schools in Blaenau Gwent is frequently below what could be expected even when social and economic factors are taken into account. For several national indicators of education performance the Council is the poorest performing in Wales and for many others, including attendance, is well below average. Amongst adults, levels of qualifications have improved slightly in recent years but are still well below the averages for Wales overall. However, educational attainment depends on a complex range of social and institution-based factors, relatively few of which can be directly managed by the Council. Therefore, exam and test results alone, cannot show whether the Council's projects or work streams are successful. Furthermore, qualifications need to be relevant to the local economy to improve skills.
- 68 Estyn, Her Majesty's Inspectorate of Education and Training in Wales, inspects how well councils are helping children and young people develop their skills. Estyn has a regular programme of inspections of pre-school services such as nurseries, schools, colleges and youth services. We work with Estyn to assess how well the Council supports all these services to help children and young people develop.
- 69 An inspection by Estyn of the Council's education services in October 2008 found that good features outweighed shortcomings in strategic management, promoting social inclusion and wellbeing, additional learning needs, and access.
- Improvement prospects were generally good but with barriers in some important areas. The inspectors made recommendations to secure improvement, including developing strategies to reduce surplus places and improve school buildings, to improve inclusion and support for school improvement and also to improve outcomes, particularly for children with additional learning needs or who are excluded.
- 70 Since then, the Council has developed, completed consultation on and approved a three-year Education Transformation Strategy for transforming education for all pupils and learners in the area. This plan aims to improve pupil attainment, performance management, schools budgetary control and education support services and reduce surplus places. The plan also aims to develop schools' infrastructure and support the significant capital project being undertaken on the former steelworks site. This includes a school for three to 16 year olds, a special education needs school, an integrated children's centre, leisure facilities and a further education campus that will re-engineer post-16 education. The Council has established an Education Transformation Board to take the strategy forward.
- Improvement objective – Undertake a formal consultation exercise in relation to proposals for post-16 education on the steelworks site to contribute to the transformation of education and learning in Blaenau Gwent**
- 71 In an area where unemployment is so high, it is clearly important that the Council makes improving the skills of young people and adults a priority. While there has been some progress, it has been slow, so making this an area for extra effort is very sensible and reflects the Council's strategic themes and CIP priorities.

72 The actions to deliver the improvement objective are entirely focused on producing a plan to undertake a consultation exercise and associated actions. Whilst this is an important first step towards a transformation that should benefit citizens, in itself it will not achieve this goal. Furthermore, the information supporting the improvement objective does not identify clearly the problem it aims to address. Partly, this is because the relationship between undertaking consultation and improving performance is not explained. No baseline of current performance against which to judge improvement is given and no measures that show how people will be better off are included. The Council does have some of this data in the business case for the learning campus development and needs to include it with the improvement objective to support monitoring and reporting.

Improvement objective – Contribute to the reduction of the number of young people who are not in employment, education or training post-16, or are at risk of falling into this category

73 Reducing the number of young people not in employment, education or training (NEETs) in Blaenau Gwent fits with the Council's strategic themes and CIP priorities. It also links with other initiatives the Council is involved in such as JobMatch, Work Based Learning and the Bridges Into Work programme which formed an improvement agreement with the Assembly Government and which has achieved its targets to date. In 2009, 6.6 per cent of year 11 school leavers were known not to be in education, employment or training. This is above the Welsh average⁶.

74 The percentage of all pupils in Blaenau Gwent aged over 15 who leave education, training or work-based learning without an approved external qualification increased from 3.0 per cent in 2008-09 to 3.7 per cent in 2009-10. This placed the Council as the poorest performer of Welsh councils. The percentage of working age adults with no qualifications in Blaenau Gwent was 21.1 per cent in 2008. This has improved gradually since 2001 but is worse than the Wales average of 14.6 per cent. The percentage of working age adults with qualifications at NQF level 4 or above in 2009 was 19.3 per cent. Blaenau Gwent has the third lowest percentage in Wales. The Welsh average is 29.6 per cent.

75 As well as increasing employability and economic participation, reducing the number of NEETs can also impact on other social and economic issues that are priorities within Blaenau Gwent. For example, it can contribute to reductions in crime and anti-social behaviour, higher levels of home ownership, better physical and mental health and lower numbers of teenage pregnancies.

76 Although the improvement objective focuses on reducing the number of NEETs, the actions that support it relate to developing strategies and programmes and so focus on improving processes rather than outcomes. The Council has not made clear what the scale of the problem is, what the current level of performance is, who will benefit, how they will benefit or by how much and how the Council will measure improvement. Recently we facilitated a workshop with Council managers at which we considered with them how this improvement objective and the measures and information supporting it could be improved to demonstrate improvement for local people more clearly. The Council will use the learning from this to refine its approach before re-publishing its improvement objectives next year.

⁶ Source: Assembly Government/Stats Wales

Is Blaenau Gwent County Borough Council helping to create a safe, prosperous and pleasant place to live?

- 77 Physical, social and economic regeneration are priorities for the Council and it has a good track record of securing external public funding for major regeneration projects. Funding from Assembly Government Heads of the Valleys Initiative supported re-establishing a rail link to Cardiff and is regenerating the site of the former steel works in Ebbw Vale ('the Works'). This project involves considerable partnership working and will include a new hospital, leisure facilities, a relevant school provision and a post-16 Learning Zone. Delivering this project successfully has potential to realise significant community benefits.
- 78 We looked at the Council's approach to regeneration and found that the Council has a strategic framework for regeneration that links together policy principles, priorities and action plans. The scale of the regeneration projects that the Council is undertaking and the high dependence of these on external funding require consistent oversight and risk management. The Council has recently reorganised itself to strengthen its arrangements for doing this and we will continue to monitor how well these are working.
- 79 Blaenau Gwent's crime rate is 90.18 per 1,000 population. Criminal damage (25 per cent) and other theft offences (19 per cent) represent the highest proportions of this. The overall crime rate in Blaenau Gwent is a fifth higher than the average for Wales. But, it has fallen steadily over the past seven years and at present, is three-quarters of the figure of seven years ago. The Council works closely with Gwent Police and other services to try to find out how safe its communities are and to make them safer. The Council also works closely with other organisations such as voluntary organisations to understand issues that cause problems in local areas and build stronger communities.
- 80 Her Majesty's Inspectors of Probation undertake inspections of work with young offenders. In September 2010, they published a report on youth offending work in the area covered by Blaenau Gwent and Caerphilly County Borough councils. The inspection team examined the quality of work done to safeguard the child or young person, protect the public by minimising the risk of harm to others and reduce the likelihood of reoffending. In each of these areas, the team make assessments that minimum, moderate, substantial or drastic improvement is required in the immediate future. In relation to safeguarding and risk of harm the team concluded that substantial improvement is required and in relation to reoffending that moderate improvement was required. Overall, the team concluded that the service in Blaenau Gwent and Caerphilly has committed staff, able to engage with young people and their families and also good support for case managers by partner agencies. But, more work is needed to ensure plans and assessments are timely and of good quality. The team made recommendations for improvement, particularly in relation to assessing offenders' needs and planning how to respond to them. The service has produced and agreed a plan of action.
- Improvement objective – Further develop waste services that divert waste from landfill and improves recycling and composting rates**
- 81 At present, the Council's performance in comparison with other councils in relation to waste management is poor. In 2009-10, the Council's waste collections were affected by severe winter weather and 70.8 per cent of waste was sent to landfill, well below the Welsh average of 55.75 per cent. In the same year, 68.58 per cent of biodegradable municipal waste was sent to landfill and 7.27 per cent of municipal waste was composted or treated biologically in another way. The Council was ranked the poorest performer of the 22 Welsh councils against these indicators.

The Council reused and/or recycled 21.93 per cent of municipal waste and was ranked twentieth out of 22. At 42.93 per cent, the Council had the third lowest level of municipal waste received at all household waste amenity sites that is reused, recycled or composted. The Council is the poorest performing in Wales against the Assembly Government targets of 40 per cent for recycling and composting, having only achieved 29 per cent.

- 82 In the future, councils that fall short of meeting EU targets for diversion from landfill will face very significant financial penalties. The Council has introduced a range of service changes, including fortnightly residual domestic waste collections and plans more. The Council reports recent improvements in recycling and landfill reduction. The Council is acting as the lead authority in a regional consortium to develop an alternative to landfill for residual waste and is also working with two neighbouring councils, Torfaen County Borough Council and Caerphilly County Borough Council, on a project to procure organic waste treatment facilities. However, the Council is not yet achieving capture of the material needed for such a processor and the achievement of future targets remains at risk. Further problems may arise for the Council as a result of changes to the Assembly Government grant funding and there is a high risk of service failure and escalating costs for all Councils.
- 83 It is appropriate for the Council to want to improve its performance in this area, and an improvement objective to improve this fits with the Council's priorities. However, the actions, measures and supporting information for the improvement objective do not make it clear how this will happen and how local people will benefit. This is because the focus of activity is on maintaining wardens, schools-based initiatives and charging for

commercial waste and it is not explained how these actions contribute to the improvement objective. Supporting information does not identify the scale of the problem, performance measures that link to outcomes, levels of current performance or targets for improvement. Some of the measures of progress related to levels of participation in schemes rather than the impact these are intended to achieve. There are no references to the role of partners or to related initiatives that could contribute to the objective and no information on how the Council's actions are funded or taken forward in service plans.

Improvement objective – Develop methods of service delivery which improves the cleanliness of the county borough

- 84 In 2009-10, the Council scored 64.1 per cent on the Assembly Government's cleanliness index, which was the lowest performance for all Welsh councils in 2009-10. The cleanliness rate of highways and relevant land in Blaenau Gwent has varied since 2005-06 but has been the lowest amongst Welsh councils throughout this period and in 2008-09 was more than eight percentage points below the next lowest.
- 85 The Council is taking steps to improve the cleanliness of Blaenau Gwent. It was the seventh best performing Welsh council for the percentage of reported fly tipping incidents cleared within five working days, with 98.08 per cent of incidents being achieved in this timescale. Enforcement action was taken in 74.23 per cent of fly tipping incidents, the second highest figure for Welsh councils and well above the Welsh average of 18.44 per cent.

86 The improvement objective reflects the level of public concern expressed in the Residents Survey undertaken in 2009 and also through engagement and consultation which supported the development of the draft Community Strategy. However, the Council has not made clear how citizens benefit from the improvement objective. Although the Council intends to improve the way it helps dog owners to prevent dog fouling and is using these activities as measures, it has not stated what level of improvement it expects to achieve. The improvement objective is not supported by a set of measures, baselines or targets. The Council will need to develop these in order for it to be able to demonstrate improvements for people and increases in citizen satisfaction.

Improvement objective – Maintain and improve the highways network to contribute to a safe and effective transport infrastructure

87 In 2008-09, in Blaenau Gwent, the proportion of 'A' roads in poor condition was a lot higher than the position for Wales as a whole though similar to the previous year. The proportion of non-principal/classified roads in poor condition was 13.8 per cent, the third poorest performer of Welsh councils. Some 22.39 per cent of the annual structural maintenance expenditure was spent on claims related to highway condition in 2008-09, the third highest figure in Wales. Only 66.87 per cent of the annual structural maintenance expenditure was spent on planned structural maintenance in 2008-09. This was the third lowest sum out of the 20 councils that submitted this data. In Blaenau Gwent, the rate (per head of population) at which people were killed or seriously injured on roads was very similar to the Wales average. Recently, the Council took the difficult decision to selectively switch off streetlights, to save money and reduce the Council's carbon footprint but performs strongly compared with other councils in repairing them. In

2009-10, the Council took an average of 1.04 days to repair street lamp failures. This was the second quickest response time for Welsh councils and above the Welsh average of 3.69 days. This may be an area in which the Council could allow its current level of performance to reduce in order to direct its efforts towards priorities.

88 The Council recognises that the condition of roads is a factor which shapes people's perceptions of the area and the performance of the Council. It can also affect road safety and economic development and can have a significant impact on Council finances if an incorrect balance between planned and responsive maintenance leads to a gradual overall deterioration in the condition of the network. The Council has agreed to use prudential borrowing to help fund its plans for improving highways condition.

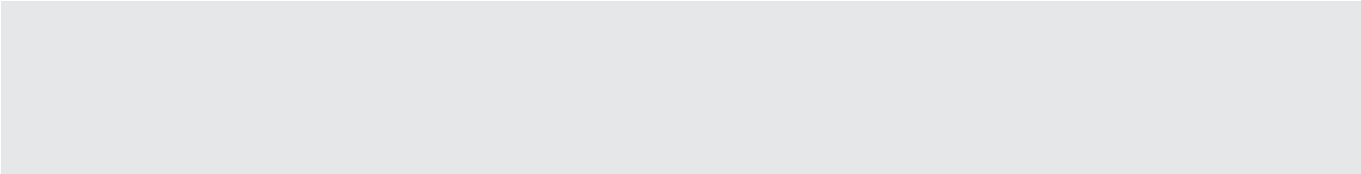
89 The supporting information for the improvement objective does not make clear whether the focus of the objective is on improving highway condition, maintaining the current proportion (eight per cent) of roads that require planned maintenance or on making savings. The benefits for citizens or road users are not set out and measures of success relate to two national Performance Indicators which are not outcome-focused. Only half of the intended measures have baseline data and for some actions it is unclear how they relate to the improvement objective. Currently, the Council requires additional finance to undertake its intended actions in to achieve the improvement objective but this is not in place yet. Making improvements within existing resources is likely to involve sensitive political decisions to prioritise certain roads and target available resources at them, with resulting deterioration in the condition of non-priority routes.

90 At a recent workshop session with Council managers, we examined with them how the measures and information supporting this improvement objective could be improved to demonstrate improvement for local people more clearly. The Council will use the learning from this to refine its approach before re-publishing its improvement objectives next year.

Improvement objective – Provide direct support and assistance to local businesses to sustain investment and economic regeneration

91 Rightly, a lot of the Council's improvement activities are aimed at regenerating the area and it is appropriate for the Council to aim to provide support to local businesses. In 2008, there were 1,020 VAT registered businesses in Blaenau Gwent, mainly involved in construction (15 per cent) and retail (14 per cent). Gross Value Added (GVA) is a measure of the size of the economy of an area. In Blaenau Gwent, GVA per head in 2007 was £11,397, below the Welsh average and the joint second lowest amongst the 22 Welsh local authorities. Between 1999 and 2007, GVA per head in Blaenau Gwent has been consistently below the Welsh average. Gross Disposable Household Income (GDHI) measures the level of disposable income available to households. In 2007, GDHI per head in Blaenau Gwent was £11,677, the joint lowest amongst the 22 Welsh local authorities. Between 1999 and 2007, GDHI per head in Blaenau Gwent has been below the Welsh average, with the gap widening slightly over this period. The Welsh Index of Multiple Deprivation (2008) showed that Blaenau Gwent has 21.3 per cent of its wards in the most deprived 10 per cent of all wards in Wales.

92 The Council has not made it explicitly clear who will benefit from this improvement objective but the measures of success it will use highlight specific beneficiaries, for example by maintaining people in employment or creating jobs. Some of the measures are supported by evidence and baselines to demonstrate progress such as number of jobs created. But the links between actions and measures are not always clear and the contribution of some actions to the objective of sustaining economic regeneration is not apparent. The links between what the Council does and the intended outcomes are weak in a number of areas and difficult to prove, for example, the number of jobs sustained. Targets are set but only in relation to one element of the improvement objective, grant funding programmes for job creation. However, this is dependent upon funding being available and it is not clear if it is. Although the improvement objective is for the Council, the supporting information could but does not refer to how the work of partner organisations might compliment it. In addition, no information is provided on things such as the use of Council workshops and leased buildings, or the Council's role as an employer and procurer of goods and services, to encourage economic regeneration. Where the Council has this information, it should include it with the improvement objective.



Improvement objective – Maintain and improve town centres through physical regeneration and town centre management

- 93 This objective relates to another aspect of the Council's programme to regenerate the borough. It is clearly linked to the strategic themes set out in the CIP. Some of the activity planned to deliver the objective is linked to job creation whilst some is linked to reducing perceptions of crime. Because the objective is to both maintain and improve, it is not entirely clear what difference the Council intends to make for citizens. The Council has not made explicit who will benefit from achieving the objective and many of the measures are not linked directly with town centres. There are only limited references to the role of partners and what they may contribute, over and above the Council's contribution. Some targets are included but may be too ambitious, for example, increasing turnover by 30 per cent for participating businesses.
- 94 The Council has informed us that it intends to benefit the town centre business community, particularly small independent businesses and also the wider local community who are users of town centres. The target to increase turnover relates specifically to businesses which are recipients of grant funding. The Council should improve the information supporting the improvement objectives to clarify the areas of uncertainty.

What should Blaenau Gwent County Borough Council do?

95 Given the wide range of services provided and the challenges facing the Council, it would be unusual if we did not find things that can be improved. The Auditor General is able to:

- recommend to Ministers of the Assembly Government that they intervene in some way;
- conduct a special inspection and publish the report with detailed recommendations;
- make formal recommendations for improvement – if a formal recommendation is made, the Council must respond to that recommendation publicly within 30 days; and
- make proposals for improvement – if we make proposals to the Council, we would expect them to do something about them and we will follow up what happens.

96 The Auditor General is not recommending intervention or inspection and is not making formal recommendations for improvement. However, the Council needs to consider our proposals to help it improve. The Council has already made progress in some of the areas we identified in our earlier work.

Proposals we made in our earlier work

- develop clear priorities that contribute to achieving the Council's vision, supported by a strategic framework, including strategies for medium-term financial planning, workforce planning, ICT and asset management;
- ensure the CIP builds on public and stakeholder engagement in priority setting and the Council demonstrates community leadership to manage citizens' expectations in a context of reductions in public funding;
- develop an approach to challenging the value for money and sustainability of existing patterns and methods of service provision across all services and apply it consistently;
- train and support the Audit Committee so that it can effectively discharge its remit in relation to the Council's statutory responsibility to have arrangements in place to secure continuous improvement in its functions; and
- prepare the Code of Governance, setting out the Council's governance principles and arrangements and which should have been in place at 1 April 2010, as a matter of urgency.

New proposals

The Council should:

- publish its improvement objectives sooner in future years, according to the Assembly Government's requirements;
- set out how citizens will benefit from the improvements set out in its objectives, and ensure they are achievable in the context of reduced resources;
- develop success measures which are supported by information about how the Council performs now, what its targets are, an analysis of cost and how its performance compares with other councils;
- identify minimum service standards for all service areas against which performance can be monitored; and
- apply the approach to setting improvement objectives focused on achieving improved outcomes for citizens to planning, delivering, monitoring and reporting the full range of the Council's functions and activities.

Appendix 1

About the Auditor General for Wales and this report

The Auditor General

The Auditor General is independent of government and is appointed by Her Majesty the Queen. He leads the Wales Audit Office and is held accountable by the Public Accounts Committee of the National Assembly for the Wales Audit Office's work.

The Wales Audit Office helps the Auditor General by examining various aspects of how Welsh public bodies work. It was created in 2005 when the National Audit Office in Wales and the Audit Commission in Wales merged.

The Auditor General is the external auditor of the Assembly Government and its sponsored and related public bodies; the National Assembly for Wales Commission and National Health Service (NHS) bodies in Wales. He also appoints the external auditors of Welsh local government bodies, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils.

As well as carrying out financial audit, the Auditor General's role is to examine how public bodies manage and spend public money, including achieving value in the delivery of public services. The law which created the Wales Audit Office also expanded the powers of the Auditor General to follow the 'public pound' wherever it goes.

This report

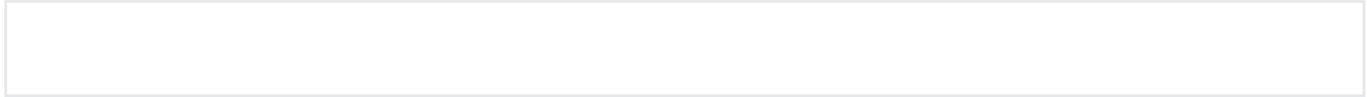
The Local Government Measure (June 2009) introduced new responsibilities for the Auditor General, including a responsibility to publish his assessment of each council/authority's arrangements to secure continuous improvement.

This report has been produced by the Auditor General for Wales to discharge his duties under section 24 of the Local Government (Wales) Measure 2009 (the Measure). The report also discharges duties under section 19, namely; to issue a report certifying that he has carried out an audit under section 17 and an improvement assessment under section 18.

Improvement authorities are under a general duty to 'make arrangements to secure continuous improvement in the exercise of [their] functions.' Improvement Authorities are defined as local authorities, national parks, and fire and rescue authorities.

The main piece of work for the Wales Audit Office, to enable the Auditor General to fulfil his duties, is an annual Improvement Assessment⁷.

⁷ This assessment will be conducted for each improvement authority, under section 18 of the Measure. For each authority, it will determine whether the authority is likely to comply with the requirements of Part 1 of the Measure. The Wales Audit Office will also undertake improvement information and planning audit, as required under section 17 of the Measure, in order to ascertain whether the authority has discharged its duties under section 15(1) to (7).



This will be informed by a:

- Corporate Assessment – a forward-looking assessment of an authority’s likelihood to comply with its duty to make arrangements to secure continuous improvement; and
- Performance Assessment – a retrospective assessment of whether an authority has achieved its planned improvements in order to inform a view as to the authority’s track record of improvement.

The output(s) from these assessments will be issued by the Auditor General as Audit and Assessment Report(s), under section 19 of the Measure. In publishing this report under section 19, the Auditor General for Wales is certifying that we have undertaken a section 17 audit and a section 18 improvement assessment.

The Auditor General may also in some circumstances carry out Special Inspections (under section 21), in respect of which he will provide a report to the relevant authorities and Ministers, and which he may publish (under section 22).

The Auditor General will summarise Audit and Assessment Reports in this published Annual Improvement Report (under section 24). This will also summarise any reports of Special Inspections.

An important ancillary activity for the Wales Audit Office is the co-ordination of assessment and regulatory work (required by section 23), which takes into consideration the overall programme of work of all relevant regulators at an improvement authority. The Auditor General will also take account of information shared by relevant regulators (under section 33) in his assessments and this report will summarise any work undertaken by them.

The Auditor General sets out the fee for his performance audit work undertaken to discharge his duties under the Measure at each local authority in a Regulatory Programme agreed each year with the authority. The fee for November 2009 until March 2011 is currently expected to be in line with that set out in the Regulatory Programme.

Appendix 2

Useful information about Blaenau Gwent and Blaenau Gwent County Borough Council

The Assembly Members for Blaenau Gwent is:

- Trish Law, Blaenau Gwent, Independent

The South Wales East Regional Assembly Members are:

- Mohammad Asghar, Welsh Conservative Party
- Jocelyn Davies, Plaid Cymru
- Veronica German, Welsh Liberal Democrats
- William Graham, Welsh Conservative Party

The Member of Parliament for Blaenau Gwent is Nick Smith (Labour).

There are 42 Councillors for Blaenau Gwent covering 16 wards, who represent the community and make decisions about priorities and use of resources. The Council is made up of Members from the following political groups:

- 21 Independent
- 17 Labour
- 2 Liberal Democrat
- 2 not affiliated

The Executive consists of the Leader, Councillor Des Hillman and nine other Councillors, which are appointed annually by the Council. The Executive prepares policies and strategies and drives continuous improvement in the way the Council operates.

The Council's Chief Executive is Mr. Robin Morrison. The Chief Executive is the Head of Paid Service and Principal Policy Adviser to the Council.

In 2009-10, the Council's revenue expenditure was £133.290 million. In that year, the Council also spent £39.3 million on capital items. The Band D council tax in 2009-10 for Blaenau Gwent was £1,325.12 per year. This will increase by 4.27 per cent to £1,381.69 per year for 2010-11. Approximately 85 per cent of properties in Blaenau Gwent fall into Bands A and B.

The Council is required by the Assembly Government to make plans to improve its functions and the services it provides. Each year, it must publish these plans along with specific 'improvement objectives' that set out the key things that the Council intends to do to improve. The Council must do this as soon as possible after 1 April each year.

For more information, see the Council's own website at www.blaenau-gwent.gov.uk or contact the Council at Municipal Buildings, Civic Centre, Ebbw Vale, Gwent NP23 6XB.

Appendix 3

The Auditor General's Corporate Assessment

The main conclusions of the Auditor General's Corporate Assessment which was issued to the Council in October 2010 are set out below:

The Council can point to some necessary improvements but is yet to develop the coherent strategic approach needed to address the major challenges ahead.

How the Council has approached improvement over time

The Council has responded to poor performance in key service areas but recognises that it still faces many significant challenges.

In the past, a lack of clear priorities led to resources being spread thinly and the approach to improvement was reactive.

More recently, there has been much needed progress in major services but a strategic approach to driving improvement is not yet consistently applied throughout the Council.

Now, the Council has demonstrated its willingness to tackle difficult issues, has taken some significant decisions and is also making changes to its corporate structure, linked to achieving cost savings.

Analysis of the Council's arrangements to help it improve

Despite some strengths in corporate arrangements, the Council's strategic leadership has not yet focused sufficiently upon priorities in order to respond to the scale of the predicted financial cuts.

A track record of accessing external funding and aspects of partnership working are positively supporting improvement.

Some arrangements for engaging communities and for managing people, resources and performance are effective but there are weaknesses in medium-term planning.

The Council's strategic leadership is yet to agree the clear corporate focus necessary to achieve the scale and pace of change needed.

For the full report, see our website at www.wao.gov.uk or contact us at the address on the inside cover of this report.

Appendix 4

Appointed Auditor's Annual Audit Letter to the Members of Blaenau Gwent County Borough Council

The Council complied with statutory requirements for reporting financial and performance improvement

It is the Council's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements;
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- publish its Improvement Plan by 31 October.

The Code of Audit Practice issued by the Auditor General requires me to:

- provide an audit opinion on the accounting statements;
- issue a certificate confirming that I have completed the audit of the accounts;
- consider whether the Improvement Plan is prepared and published in accordance with statutory requirements; and
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources.

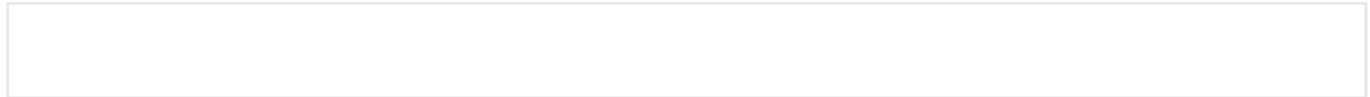
The 2009-2010 accounting statements

On 29 September 2010, I issued an unqualified audit opinion on the Council's 2009-10 accounting statements, confirming that they present a true and fair view of the Council's financial transactions and balances.

My audit certificate of 29 September 2010 confirmed that I am withholding my statutory 'certificate of completion' until Council members have considered, and responded to, my report on the redundancy of a former director of the Council.

My audit of the Council's accounting statements did not identify any material issues that I need to report in this audit Letter. My audit did identify, however, some areas of operational control that could be improved, which my audit team will be reporting separately to the Council's Audit Committee. Such reporting to a local authority's audit committee is relatively common practice as non-material audit issues often arise.

Further to my audit opinion on the 2009-10 accounting statements, I found that the Council's 2009-10 Whole of Government Accounts return was prepared effectively and in accordance with the Welsh Assembly Government's timetable.



The 2010-2011 Corporate Improvement Plan

The Council's 2010-11 CIP meets statutory requirements and provides a generally balanced view of its performance in 2009-10. My review included an examination of the performance indicators that supported the 2010-11 Improvement Plan.

For the period under review the Council had 38 National Strategic Indicators (NSIs). I examined 25 of the 38 NSIs. I found that seven of the 25 NSIs examined required amendment. None of those amendments were significant and, overall, my audit confirmed that the indicators produced by the Council were reliable and accurate.

For 2010-11, the Council will be re-introducing its internal quality-assurance review of the performance indicators that it produces. To do so, Internal Audit has introduced time to its audit plan to undertake such reviews in collaboration with my staff. I expect Internal Audit's checks to enhance the overall quality of the performance indicators reported, and also, potentially, to reduce the cost of the audit examinations undertaken in future by the Wales Audit Office.

The Auditor General for Wales will be commenting in his Annual Improvement Assessment on the Council's 2010-11 Improvement Plan. In doing so, the Auditor General will be commenting on how the Improvement Plan contributes to how the Council is planning to improve what matters most to local people.

The arrangements in place for securing value for money

My review of the Council's arrangements has identified the following issues:

Code of Governance:

- The Auditor General's Preliminary Corporate Assessment reported that the Council should have introduced a Code of Governance (a Code) that sets out the Council's governance principles and arrangements. A Code should have been in place by no later than 1 April 2010, although ideally before this date.
- The guidance currently in place for Welsh local authorities sets out that good governance is a key responsibility of an authority's Leader and Chief Executive Officer.
- Officers of the Council recently finalised a Code of Governance. On 28 September 2010 the Chief Executive presented the draft Code to the Audit Committee. Thereafter, on 18 November 2010 the Chief Executive presented the Code to Council Members which they approved and adopted.
- Linked to the introduction of a new Code, from 2010-11 an Annual Governance Statement will replace the Statement on Internal Control within the Council's accounting statements. This new Governance Statement will continue to fall within my audit opinion on the accounting statements.
- As highlighted above, the Council should have developed the Code prior to 2010-11, with full adoption by no later than 1 April 2010. Such adoption would have enabled the new arrangements to have been in place throughout 2010-11. As part of my audit of the 2010-11 accounting statements, I will be reviewing the Council's implementation of the new arrangements during 2010-11.



Risk management:

- In terms of the Council's arrangements for managing risk, I found that arrangements should be introduced to subject the risk register to better quality assurance and validation.
- I found that the Council should improve its corporate overview of the assessment of risks, and of the agreed mitigating actions and subsequent monitoring arrangements.
- Also, I consider that the Council should ensure that all service areas recognise their responsibilities in relation to the risks identified and that they are absorbed appropriately into service areas' risk registers.
- Looking forward, the Council's current proposals for risk management have potential to strengthen the management of risk and to better mitigate their impact on the community; and also to provide greater assurance that risks are being identified and managed effectively.

Arrangements for considering the early and discretionary departure of staff:

- I have examined the Council's arrangements for preparing and considering business cases for the early, and discretionary, departure of staff. I have found weaknesses in the arrangements in place, and on 8 November 2010, I reported my findings and recommendations separately to the Chief Executive (which I copied to you). I explained in my covering letter to the report that I have reported under Section 25 of the Public Audit (Wales) Act 2004. The Council is therefore required by the Act to consider my report and its recommendations, soon, and Members will therefore be doing so on 20 December 2010.

The audit fee

The audit fee for 2009-10 is currently expected to be higher than that set out in the Financial Audit Strategy. The increase relates to my review of the redundancy of a former director of the Council, and of the arrangements in place within the Council for considering such departures. My staff have discussed the principle of additional audit costs with the Council's finance officers. In January 2011, I will be billing the Council for additional costs incurred.

Anthony Barrett
Appointed Auditor
25 November 2010

Appendix 5

Blaenau Gwent County Borough Council's improvement objectives

The Council published its improvement objectives in its Community Plan which can be found on the Council website at www.blaenau-gwent.gov.uk. They are:

- undertake a formal consultation exercise in relation to proposals for post-16 education on the steelworks site to contribute to the transformation of education and learning in Blaenau Gwent;
- contribute to the reduction of the number of young people who are not in employment, education or training post-16, or are at risk of falling into this category;
- review and improve foster carer recruitment and retention to improve placement choice for looked-after children;
- promote and enable the independence of service users through the provision of extra care housing and modernising domiciliary care;
- further develop waste services that divert waste from landfill and improves recycling and composting rates;
- develop methods of service delivery which improves the cleanliness of the county borough;
- maintain and improve the highways network to contribute to a safe and effective transport infrastructure;
- further develop and improve channels of access to Council services for citizens;
- provide direct support and assistance to local businesses to sustain investment and economic regeneration; and
- maintain and improve town centres through physical regeneration and town centre management.

Appendix 6

References

All the data referred to within the report is drawn from one of the following sources:

- Welsh Assembly Government, StatsWales
- Welsh Assembly Government, local area summary statistics
- Improvement Authority's own websites and improvement plans
- The Wales Yearbook
- The Home Office
- Members' Research Service
- Office for National Statistics