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Darren Mepham  
Chief Executive  
Bridgend County Borough Council  
Civic Offices  
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BRIDGEND  
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Date 17 September 2012

Our reference 444A2012

Your reference

Tel No

E-mail

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Dear Darren

## Improvement Assessment

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

This letter summarises:

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

I shall update my views during the year and will provide a further letter by the end of November 2012.

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

I have reached this conclusion because the Council, by approving its Corporate Plan on 4 April 2012, complied with Welsh Government guidance for Local Government Measure 2009, under Section 15 (7) by publishing its Improvement Plan within a reasonable period after 1 April. The Council published the Corporate Plan both in English and Welsh on the Council's website by 30 April 2012.

The Corporate Plan contains nine improvement objectives for 2012-13. These have been subject to an Equality Impact Assessment and contain references to aspects of the Council's new Strategic Equality Plan. The Council has undertaken public and stakeholder consultation to agree the selection and prioritisation of its improvement objectives.

The Council adapted its Quarterly Business Review Process (now referred to as Corporate Performance Assessment meetings) in July 2012 to focus primarily on monitoring and evaluating the progress of its improvement objectives. It is anticipated this will also improve the monitoring of how the actions supporting the implementation of the improvement objectives impact on the Council's budget.

## **Based on, and limited to, work carried out to date by the Wales Audit Office and relevant regulators:**

**I believe that the Council is likely to comply with the requirement to make arrangements to secure continuous improvement during this financial year**

I have reached this conclusion because:

### **The Council has introduced a number of initiatives to address the issues identified in my previous proposals for improvement**

The previous Annual Improvement Report noted that 'the Council has put arrangements in place to deliver improvement and does well in the areas it focuses on; but its evaluation and reporting of performance is not sufficiently balanced'. The report also contains proposals for improvement and noted some areas where we would undertake further work. Progress on these matters is described in more detail in Appendix 1 and is summarised below:

- The Council, in partnership with the Local Service Board (LSB), has finalised a Citizen Engagement Strategy (CES). Its delivery is being supported by an action plan and a Steering Group, whose role is to check progress and share information.

- The Council has introduced a revised business and budget planning cycle to align resources more closely to key priorities. Proposals to restructure and amalgamate its finance and performance functions are in progress to improve the monitoring of the Council's savings plans and assess the impact on service delivery.
- The Council has introduced a three-year workforce plan to organise staff resources to support the achievement of its improvement objectives. Plans are in place to improve the Council's record in carrying out staff appraisals across the organisation.
- Improvements to the Council's approach to risk management are underway, although we have not reviewed whether the new risk management policy has been effectively implemented.

### **The Council continues to develop a solid approach to address its financial challenges, working towards linking performance data to finances to clearly demonstrate the impact of its savings plans on service delivery**

The Council has high-level plans in place to achieve financial efficiencies, both in the medium and long term, which it continues to strengthen and refine. It is clearer about which services will continue to be funded and where it will reduce budgets.

The Council has already delivered a range of changes to achieve its plans such as outsourcing its leisure services and, through better procurement, improving the quality of its waste and recycling service whilst also reducing the costs. It is also seeking opportunities to share service delivery with neighbouring councils and its partner organisations in the LSB, such as with the local health service to organise joint working at a local level through 'shared locality teams'.

Recognising the need to improve the monitoring and evaluation of its financial planning, the Council is initiating the development of outcome measures which should help demonstrate the impact of any changes to service delivery. The Council is also improving its monitoring and reporting arrangements through the merger of its performance and finance teams, and with the establishment of Corporate Performance Assessment meetings.

### **Further proposals for improvement/recommendations**

I have not made any further proposals for improvement as part of this review. We will continue to monitor and report on the progress made by the Council in implementing the proposals set out in my previous reports and letters.

## Updates to the work plan and timetable

My Improvement Assessment Team will keep the Council informed of the detailed arrangements for the delivery of my assessment work during 2012-13.

The work plan and timetable, which will be updated and discussed with the Council on a regular basis, provides more detail on the work being delivered during this year's assessment and in particular how we will add value by focusing on jointly identified areas or services.

The work plan and timetable take account of my consultation with improvement authorities over my proposals for 2012-13 performance audit work. In particular, I shall be asking my Improvement Assessment Team to consider during the year the reliance that we can place upon the self-assessment processes including a review of governance in producing the Annual Governance Statement and your Annual Performance Report. I shall comment on this approach in my Annual Improvement Report.

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

Yours sincerely



**HUW VAUGHAN THOMAS**

**AUDITOR GENERAL FOR WALES**

CC: Carl Sargeant, Minister for Local Government and Communities

Steve Barry, Manager (South)

Helen Keatley, Performance Audit Lead

Ian Pennington, Appointed Auditors: KPMG

## Appendix 1 – Update on previous proposals

Proposals for improvement	Progress
<p><b>Balanced reporting</b></p> <p>In order to help citizens fully understand the progress the Council is making in meeting its objectives and improving performance, the Council should:</p> <ul style="list-style-type: none"> <li>• ensure its annual report is more balanced;</li> <li>• be clearer about performance that is not as good as expected, as well as where it has exceeded expectations;</li> <li>• set out what it intends to do as a result; and</li> <li>• actively seek feedback and comments from citizens and communities.</li> </ul>	<p>We will be finalising our opinion during our Performance Assessment work and will report in November 2012.</p>
<p><b>Engagement</b></p> <ul style="list-style-type: none"> <li>• Further develop engagement with citizens and stakeholders in determining future improvement objectives.</li> <li>• At the time of this work, the Council was in the final stages of agreeing the content of the action plan to implement the LSB CES. If the action plan has not yet been agreed, then the Council should move swiftly to ensuring that it is agreed.</li> </ul>	<p>The Council has assured itself that its improvement objectives for 2012-13 remain relevant to local people, through consulting with a sample of citizens and making some changes to its improvement objectives as a result of their feedback.</p> <p>The LSB is performing ahead of expectations in delivering actions from its CES. The action plan has been drafted, agreed and aspects of the plan have already been implemented. For example, the LSB has launched the 'Ask Bridgend' consultation website to encourage citizens to be part of the consultation process for the provision of local services. A survey has been conducted six months ahead of initial expectations. A CES Steering Group has also been established to share information and progress across LSB partners.</p>

Proposals for improvement	Progress
<p><b>Business planning and monitoring</b></p> <ul style="list-style-type: none"> <li>The Council should finalise its business planning arrangements over the coming months based around a Medium Term Financial Strategy;</li> <li>Use the budget monitoring process to track performance against individual savings proposals to assess whether the Council has delivered its plans and to make sure that all proposals deliver the maximum return for taxpayers.</li> </ul>	<p>The Council's senior managers have agreed a revised business and budget planning cycle to ensure that corporate strategies and plans align and drive the Council's Medium Term Financial Strategy and annual budget process for the 2013-14 financial year.</p> <p>The Council is restructuring its finance and performance functions. The amalgamated finance and performance team will have responsibility for monitoring the Council's savings plans. These savings plans will also be monitored through a refreshed performance review process that focuses on the achievement of improvement objectives (both quality and budgetary). The Council can evidence achievement of 90 per cent of its planned savings for 2011-12 such as the outsourcing of leisure services which was implemented on time and will save the Council approximately £500,000 per annum from 2012-13.</p>
<p><b>Workforce</b></p> <ul style="list-style-type: none"> <li>The Council should ensure that the staff performance appraisal process is consistently applied across the Council as a means of embedding performance management into everyday management.</li> <li>The Council needs to develop its approach to workforce planning.</li> </ul>	<p>The Council has revised its appraisal policy and managers' guidelines, and appraisal forms have been developed to clarify arrangements. Close monitoring of the activity levels in this area have been established. At the time of our review (end of March 2012) 29 per cent of appraisals had been completed across the Council. However, the majority of appraisals were scheduled to be undertaken between April to June 2012. This should result in a significant increase in the percentage of appraisals completed.</p> <p>The Council has developed its approach to workforce planning with the development of a three-year corporate workforce plan. The plan details the context for workforce planning in Bridgend and the cross-cutting workforce issues and service workforce actions which will need to be progressed to achieve its corporate priorities over the next three years. The Council plans to further strengthen its approach by developing this plan in 2012-13 into a medium-term workforce strategy that sets out the Council's vision for services and its workforce with supporting action plans.</p>

Proposals for improvement	Progress
<p><b>Risk management</b></p> <ul style="list-style-type: none"> <li>• Strengthening current arrangements by identifying how residual risks will be managed to ensure key services are delivered.</li> <li>• Strengthening operational action plans to include management roles rather than just teams or departments.</li> <li>• Establishing effective information reports which support members' better understanding of performance and risk mitigation.</li> <li>• Including partnerships in the corporate and operational risk management process.</li> </ul>	<p>The Council is in the process of improving risk management in light of recommendations made in 2011. For example, accountability for managing risks has been clarified in the Council's risk action plans and information to members about risk has been improved such as a corporate risk assessment reviewed by the audit committee, and quarterly risk reports now consider net risk. However, the Council's risk management policy is still in draft and the Council recognises that it needs to strengthen it prior to adoption.</p>
<p><b>Information and Computer Technology (ICT)</b></p> <ul style="list-style-type: none"> <li>• Ensure that the Council has sufficient technical capacity to deliver and support its transformation plans without impacting on the quality of the ICT service provided.</li> <li>• Exploit the investment in technology by ensuring the technology is fully utilised eg, extend mobile working arrangements.</li> <li>• Review ICT funding arrangements to ensure that the recently refreshed and upgraded corporate ICT infrastructure remains fit for purpose in the future.</li> <li>• Routinely collect and analyse performance information relating to the usage and cost of transactions across the different access channels: <ul style="list-style-type: none"> <li>– to establish a baseline;</li> <li>– regularly monitor the usage and cost; and</li> <li>– use this to inform its Customer Access Strategy, decision making and prioritisation.</li> </ul> </li> </ul>	<p>The fieldwork for a study by the Wales Audit Office into the Council's information management arrangements has been completed. The study asks: 'Is the organisation's approach to information management positively supporting improvement?' Its findings and conclusions will be reported in the Improvement Assessment Letter to be published in November 2012.</p>

Proposals for improvement	Progress
<ul style="list-style-type: none"> <li>Proactively market the different customer access channels at every opportunity to encourage citizens to take up lower-cost customer access channels.</li> </ul>	
<p><b>Leisure</b></p> <ul style="list-style-type: none"> <li>The Council should ensure savings from the remodelling of leisure services feed into the next version of the medium-term financial plan.</li> <li>The Council must ensure the individuals within in the team are suitably qualified, with sufficient capacity and resources to provide appropriate oversight, monitoring and challenge to the partner. The team should be in place before the commencement of the new contract.</li> <li>It should ensure that it provides a sufficient degree of monitoring to make sure that the partnership achieves its aims as set out in the partnership agreement.</li> </ul>	<p>We will monitor the progress of the remodelling of the leisure services as part of our routine meetings with Council officers.</p>