



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Annual Improvement Report 2014-15

Blaenau Gwent County Borough Council

Issued: August 2015

Document reference: 361A2015



This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by Non Jenkins, Dave Wilson and Allison Rees under the direction of Alan Morris.

Huw Vaughan Thomas
Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office Board, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the National Assembly.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies and assesses compliance with the requirements of the Local Government (Wales) Measure 2009.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Assembly Commission and National Health Service bodies in Wales.

The Auditor General and staff of the Wales Audit Office aim to provide public-focused and proportionate reporting on the stewardship of public resources and in the process provide insight and promote improvement.

Contents

Summary report	4
Purpose of this report	4
2014-15 performance audit work	5
Based on the work of the Wales Audit Office and relevant regulators, the Auditor General considers that as long as current momentum is maintained the Council has the potential to comply with the requirements of the Local Government Measure during 2015-16	7
Headlines – a summary of key findings	8
Recommendations	11
Detailed report	13
Use of resources	14
Governance	17
Performance	26
Appendices	
Appendix 1 – Status of this report	35
Appendix 2 – Audit of Blaenau Gwent County Borough Council's 2014-15 Improvement Plan	36
Appendix 3 – Audit of Blaenau Gwent County Borough Council's assessment of 2013-14 performance	38
Appendix 4 – Annual Audit Letter	40
Appendix 5 – National report recommendations 2014-15	43
Appendix 6 – Useful information about Blaenau Gwent County Borough Council's resources	48

Summary report

Purpose of this report

- 1 Each year, the Auditor General is required to audit the improvement planning and reporting arrangements of Welsh councils, fire and rescue authorities, and national park authorities, and to assess whether each authority will meet statutory continuous improvement duties¹. This work has been undertaken on behalf of the Auditor General by staff of the Wales Audit Office. [Appendix 1](#) provides more information about the Auditor General's powers and duties in local government.
- 2 In addition, the Auditor General undertakes an in-depth corporate assessment at each authority on a cyclical basis (currently at least once every four years). In the intervening years, in addition to audits of improvement planning and reporting, the Wales Audit Office, on behalf of the Auditor General, will keep track of developments and focus further assessment work on a number of key themes, developed in discussion with each authority.
- 3 This Annual Improvement Report (AIR) summarises the audit work undertaken at Blaenau Gwent County Borough Council (the Council) since the last such report was published in June 2014. This report also includes the findings from the Internal Challenge and Governance – Phase Two review that we undertook in February 2015 and also a summary of the key findings from reports issued by 'relevant regulators', namely: the Care and Social Services Inspectorate Wales (CSSIW); Her Majesty's Inspectorate for Education and Training in Wales (Estyn); Welsh Government Advisors; and the Welsh Language Commissioner (WLC). Nonetheless, this report does not represent a comprehensive review of all the Council's arrangements or services. The conclusions in this report are based on the work carried out at the Council by relevant external review bodies and, unless stated otherwise, reflect the situation at the point in time that such work was concluded.
- 4 Taking into consideration the work carried out during 2014-15, the Auditor General will state in this report whether he believes that the Council is likely to make arrangements to secure continuous improvement for 2015-16.
- 5 This statement should not be seen as a definitive diagnosis of organisational health or as a prediction of future success. Rather, it should be viewed as providing an opinion on the extent to which the arrangements currently in place are reasonably sound insofar as can be ascertained from the work carried out.
- 6 We want to find out if this report gives you the information you need and whether it is easy to understand. You can let us know your views by e-mailing us at info@audit.wales or writing to us at 24 Cathedral Road, Cardiff, CF11 9LJ.

¹ Duties and requirements contained within the Local Government (Wales) Measure 2009 (the Measure).

2014-15 performance audit work

- 7 In determining the breadth of work undertaken during the year, we considered the extent of accumulated audit and inspection knowledge as well as other available sources of information including the Council's own mechanisms for review and evaluation. For 2014-15, we undertook improvement assessment work under three themes: use of resources; governance; and performance.
- 8 The work carried out since the last AIR, including that of the 'relevant regulators', is set out below:

Project name	Brief description	Dates when the work was undertaken
Blaenau Gwent County Borough Council Internal Challenge and Governance Arrangements Review – Phase 1	A review focusing on mapping the internal challenge and governance arrangements introduced by the Council to address the Statutory Recommendations made by the Auditor General for Wales and the Appointed Auditor in October 2013, and whether these arrangements were capable of delivering sustainable improvements to services in 2014-15 and beyond.	June 2014
Blaenau Gwent County Borough Council Internal Challenge and Governance Arrangements Review – Phase 2	The second phase of the internal challenge and governance arrangements review assessed whether the arrangements have been effective in enabling the Council to manage its Transforming Blaenau Gwent Programme (the Programme) and whether the Programme could effectively deliver the intended outcomes. The results of this second phase review are reported in this AIR.	February 2015
Audit of Financial Statements Report	To provide an opinion on whether the financial statements give a true and fair view of the financial position of the Council at 31 March 2014 and its income and expenditure for the year then ended.	September 2014
Wales Audit Office Financial Planning Assessment	Review of the Council's financial position and how it is budgeting and delivering the required savings.	May to August 2014
Wales Audit Office Annual 'Improvement Plan' Audit	Review of the Council's published plans for delivering its improvement objectives.	July 2014

Project name	Brief description	Dates when the work was undertaken
Wales Audit Office 'Assessment of Performance' Audit	Review of the Council's published performance assessment.	November 2014
Data Quality Review	Review of a small sample of reported performance indicators to assess the accuracy of data.	February 2015
Review of the Council's Safeguarding arrangements including its whistleblowing policy and arrangements	Review of the Council's arrangements for ensuring that safeguarding policies and procedures are in place and were being adhered to.	March to May 2014
Delivering with Less – Environmental Health	The first in a series of studies looking at how councils were managing to deliver with less. This study considered the impact of reduced resources on the ability of the Council to deliver its statutory obligations around environmental health services.	December 2014
Managing the impact of Welfare Reform changes on Social Housing Tenants in Wales	Review of arrangements to manage the impact of the welfare reforms. The Council also received local feedback in addition to the national report.	December 2013 to March 2014
Sustainability of Social Services	Gwent-wide review, undertaken with CSSIW, of the sustainability of Social Services, considering performance, management, and revenue expenditure over multiple years.	April 2014 to January 2015
CSSIW Performance Evaluation Report 2013-14	Annual Review of the Council's Social Services/ Children's Service function.	October 2014
CSSIW National Inspection: Safeguarding and Care Planning of looked after children and care leavers, who exhibit vulnerable or risky behaviours – Inspection of Blaenau Gwent County Borough Council	Assessment of the quality of Safeguarding and Care Planning.	February 2014
Welsh Government Advisors	Monitoring Visits	June 2014 and October 2014

Project name	Brief description	Dates when the work was undertaken
Estyn – Local Authority Education Service	Monitoring Visits	July and November 2014
Welsh Language Commissioner	Review of the Council’s approach to the Welsh Language.	November 2014

Based on the work of the Wales Audit Office and relevant regulators, the Auditor General considers that as long as current momentum is maintained the Council has the potential to comply with the requirements of the Local Government Measure during 2015-16

- 9 The Auditor General has reached this conclusion because:
- a the Council made encouraging progress on improving financial management following statutory recommendations made by the Appointed Auditor and Auditor General for Wales in 2013 but needed to ensure these arrangements become fully embedded and deliver intended outcomes;
 - b the Council made considerable progress, from a particularly weak position in 2013, to embed governance arrangements and support decision making to deliver improved outcomes, but more work needed to be done; and
 - c the Council improved the effectiveness of its monitoring and management of improvements but this was not consistent or embedded across all service areas.

Headlines – a summary of key findings

- 10 The table below summarises the key findings of reports issued since the last AIR by the Wales Audit Office, the CSSIW, Estyn, Welsh Government Advisors and the Welsh Language Commissioner.

Audit of accounts	<p>The Appointed Auditor issued an unqualified opinion on the Council's accounting statements on 8 October 2014 stating that they presented a true and fair view of the Council's financial position and transactions for the year ending 31 March 2014 (see Appendix 4).</p>
Improvement planning and reporting audits	<p>The Auditor General for Wales issued compliance certificates stating that the Council had discharged its duties under the Measure (see Appendices 2 and 3).</p>
Use of resources	<p>The Council made encouraging progress on improving financial management following statutory recommendations made by the Appointed Auditor and Auditor General for Wales in 2013 but needed to ensure those arrangements became fully embedded to deliver intended outcomes. Wales Audit Office – February 2015</p> <p>The Council's track record prior to 2013-14 indicated that it was not able to operate within its budget with some key services overspending and budgets being balanced through the use of reserves.</p> <p>The Council had introduced plans and arrangements to deliver significant savings in 2014-15 and beyond, and needed to continue to review and evaluate the effectiveness of these arrangements if it was to deliver its strategic priorities and be financially sustainable. The report on financial resilience is available here.</p> <p>The Council continued to demonstrate that it had sustainable systems and processes in place to effectively manage its budget and to plan its finances longer term. Welsh Government Advisors – June 2014</p>
Governance	<p>Many arrangements were in place to deliver the Transforming Blaenau Gwent Programme and with continued momentum to further embed arrangements, they have the potential to secure continuous improvement. Wales Audit Office – September 2014 Internal Challenge and Governance Arrangements – Transforming Blaenau Gwent Programme (Phase One)</p>

The Council's internal challenge and governance arrangements are becoming embedded to help it deliver the intended outcomes of the Transforming Blaenau Gwent Programme, however, more work needs to be done.

The Council has made considerable progress, from a particularly weak position, to embed governance arrangements and support decision making to deliver improved outcomes, but more work needs to be done.

The Council achieved the overall savings target set out in the Programme although in some instances the savings were not as originally planned.

The Council has improved the effectiveness of its monitoring and management of improvements but this is not consistent or embedded across all service areas.
Report incorporated within this AIR.

The Council continued to make acceptable progress in meeting the challenges it faces.
Welsh Government Advisors – 9 October 2014

The Wales Audit Office reported on the Council's arrangements to support safeguarding of children in October 2014:

The Council's governance, accountability and management arrangements for overseeing its safeguarding responsibilities to children were mostly adequate but some improvements could be made.

The Council's arrangements for monitoring and evaluating its safeguarding responsibilities to children had some weaknesses which the Council was addressing.

The Council's approach to identifying and acting on improvements in its safeguarding arrangements had some weaknesses which the Council was addressing.

The Council was reviewing its whistleblowing policy but the arrangements to support implementation and management of the policy needed to be strengthened.

Wales Audit Office – October 2014: [Report on safeguarding is available here.](#)

Performance

The local authority made a good start in addressing Estyn's recommendation for improving safeguarding following its inspection of the local authority in 2013.

Estyn – July 2014

The local authority's pace of progress in addressing four of Estyn recommendations was slow.

Estyn – December 2014: [Monitoring Visit outcome letter is available here.](#)

In 2013-14, social services saw considerable change at both corporate and departmental levels. New heads of service for both adult and children services were appointed and 2013-14 saw the impact of the planned restructuring of services, coupled with the need to make savings as required in the budget review.

CSSIW – October 2014: [Annual Performance Evaluation report is available here.](#)

CSSIW undertook a national inspection of safeguarding and care planning of looked after children and care leavers who exhibit vulnerable or risky behaviour.

[CSSIW report on safeguarding and care planning is available here.](#)

The Council was considering how to use financial and performance data from our Social Services Sustainability work across the five Gwent councils to plan for future social services provision.

Wales Audit Office – February 2015

The Council was mostly meeting its statutory environmental health obligations but because of budget and staff cuts, environmental health services were at a tipping point and were at risk of being unable to effectively deliver their current responsibilities or take on new statutory duties.

Wales Audit Office – December 2014.

[Environmental Health report available here.](#)

The Council improved data quality arrangements, however, these arrangements were not consistently applied.

Data Quality Review, Wales Audit Office – February 2015

The Council committed most of its Discretionary Housing Payments but because of some weaknesses in the quality and range of public information and its systems for managing funds, it was not always clear if those in the greatest need were receiving help.

Wales Audit Office – May 2015

The Council's approach to promoting the Welsh language remained underdeveloped, the Council recognised this and was taking action to improve arrangements in some areas but more work needed to be done.

Welsh Language Commissioner – September 2014: [Welsh Language Commissioner's annual report available here.](#)

Recommendations

- 11 Given the wide range of services provided by the Council and the challenges it is facing, it would be unusual if we did not find things that can be improved. The Auditor General is able to:
 - a make proposals for improvement – if proposals are made to the Council, we would expect it to do something about them and we will follow up what happens;
 - b make formal recommendations for improvement – if a formal recommendation is made, the Council must prepare a response to that recommendation within 30 working days;
 - c conduct a special inspection and publish a report and make recommendations; and
 - d recommend to Ministers of the Welsh Government that they intervene in some way.
- 12 During the course of the year, the Auditor General did not make any further formal recommendations. However, lower priority issues, known as proposals for improvement are contained in our other reports and may be referred to later on in this report. We will continue to monitor proposals for improvement during the course of our improvement assessment work.
- 13 The Auditor General also makes recommendations that may be relevant to councils in his Local Government National Reports. A list of relevant recommendations contained in reports issued in 2014-15 can be found in [Appendix 5](#).
- 14 The following are Proposals for Improvement following our review of the Council's Internal Challenge and Governance Review – Phase Two.

Proposals for improvement (PFI)

PFI 1 Ensure Members receive appropriate and accurate information in reports to improve decision making.

PFI 2 Ensure Scrutiny plays an effective role in challenging deliverability of projects and potential impact on users of changes.

PFI 3 Ensure managers consistently own savings proposals and strengthen the accountability of managers for their delivery.

PFI 4 Improve skills and strengthen corporate capacity, for example of the Strategic Transformation Team, to support delivery of on-going transformation.

PFI 5 Ensure that IT systems for monitoring performance and budgets effectively support the delivery of the TBGP by providing accurate and timely information.

- 15 Any specific recommendations and areas for improvement made by the CSSIW, Estyn and the Welsh Language Commissioner during the course of the year are set out below.

CSSIW – Performance Evaluation Report 2013-14

The council should:

AFI 1 Develop formal systems to identify projected needs for learning disability services to inform commissioning:

- develop systems for monitoring effectiveness of additional resource to support hospital discharge; and
- devise a formal plan to measure progress of the eight priorities set out in the procurement strategy.

AFI 2 Publicise carers' information packs with the staff to ensure this is readily provided:

- strengthen care planning with adult services to ensure an outcome based approach; and
- ensure that mechanisms are in place to monitor the quality of outcomes and evidence outcomes in children's services.

AFI 3 Monitor caseloads to ensure staff numbers and skills reflect people's needs.

AFI 4 Contribute to taking forward actions arising from the recent review of the Gwent Wide Adult Safeguarding Board (GWASB).

AFI 5 Develop an overarching framework for review which contributes to the on-going development and planning of service provision.

Detailed report



Use of resources

- 16 Information on the Council's income, expenditure and staffing levels is set out in [Appendix 6](#) to provide context.

Audit of the Council's accounts

The Appointed Auditor issued an unqualified opinion on the Council's accounting statements on 8 October 2014 stating that they presented a true and fair view of the Council's financial position and transactions for the year ending 31 March 2014

- 17 On 30 November 2014 the Appointed Auditor issued an Annual Audit Letter to the Council. The letter summarised the key messages arising from his statutory responsibilities under the Public Audit (Wales) Act 2004 as the Appointed Auditor and his reporting responsibilities under the Code of Audit Practice. The Appointed Auditor issued an unqualified opinion on the Council's accounting statements on 8 October 2014 stating that they presented a true and fair view of the Council's financial position and transactions for the year ending 31 March 2014. The Annual Audit Letter can be found in [Appendix 4](#) of this report.
- 18 In October 2013, the Appointed Auditor made a Statutory Recommendation to the Council under section 25(2) of the Public Audit (Wales) Act 2004 recommending:
- a the Council to take immediate action to identify and approve actions to deliver a legal and balanced budget for 2014-15; and
 - b to agree a sustainable Medium Term Financial Strategy that would allow the Council to live within its means.
- 19 In response to a recommendation from the Auditor General, the Welsh Government Minister for Local Government and Government Business provided the Council with a package of support. The package, which included the appointment of a team of external Advisors, was designed to enable the Council to address its immediate short-term financial difficulties for 2013-14, set a balanced budget for 2014-15, and develop a single Transformational Change Plan setting out its priorities for delivery for the medium term.

The Council made encouraging progress on improving financial management following statutory recommendations made by the Appointed Auditor and Auditor General for Wales in 2013 but needed to ensure those arrangements became fully embedded to deliver intended outcomes

- 20 We reached this conclusion through our review of the Council's financial resilience, which focussed on answering the following question: 'Is the authority managing budget reductions effectively to ensure financial resilience?' We concluded that:
- a the Council's track record indicated that it was not able to operate within its budget with some key services overspending and budgets being balanced through the use of reserves; and
 - b the Council had introduced plans and arrangements to deliver significant savings in 2014-15 and beyond, and needed to continuously review and evaluate the effectiveness of these arrangements if it was to deliver its strategic priorities and be financially sustainable.

The Council's track record prior to 2013-14 indicated that it was not able to operate within its budget with some key services overspending and budgets being balanced through the use of reserves

- 21 We found that in setting the 2011-12 and 2012-13 budgets there was no requirement for the Council to draw on Council Fund General Reserves but both budgets planned to include contributions from Housing Revenue Account reserves to meet stock transfer residual costs. Some portfolios had a track record of budget overspends and of not achieving planned savings.

The Council had introduced plans and arrangements to deliver significant savings in 2014-15 and beyond, and needed to continue to review and evaluate the effectiveness of these arrangements if it was to deliver its strategic priorities and be financially sustainable

- 22 We found that the Council had worked hard to develop and implement a new approach to financial planning which was focussed on a three-year period commencing from 2014-15.
- 23 The Ministerial Advisors' letter sent to the Minister for Public Services in October 2014, confirmed that they were satisfied with the progress being made by the Council. However, the Advisors' letter highlighted that the Council continued to develop its model for reporting both its performance and financial position and that this model remained work in progress.

- 24 The Council introduced new arrangements and measures to address previously identified weaknesses as follows, but these were still in their early stages of implementation:
- a the Transforming Blaenau Gwent Programme intended to ensure that all significant projects and work streams were co-ordinated and monitored in one plan and that the Council maintained firm control on progress made in achieving key financial and strategic priorities;
 - b the Council had established a monthly Programme Steering Group to produce monthly progress reports to senior managers and officers; and
 - c the Council had established a Strategic Transformation Team to collate and review all projects across the Council, with project managers and other relevant officers.

The Council continued to demonstrate that it had sustainable systems and processes in place to effectively manage its budget and to plan its finances longer term

- 25 In October 2013, the Appointed Auditor made a Statutory Recommendation to the Council under section 25(2) of the Public Audit (Wales) Act 2004 recommending:
- a the Council to take immediate action to identify and approve actions to deliver a legal and balanced budget for 2014-15; and
 - b to agree a sustainable Medium Term Financial Strategy that would allow the Council to live within its means.
- 26 In response to the recommendation, the Welsh Government Minister for Local Government and Government Business provided the Council with a package of support. The package, which included the appointment of a team of external Advisors, was designed to enable the Council to address its immediate short-term financial difficulties for 2013-14; set a balanced budget for 2014-15 and develop a single Transformational Change Plan setting out its priorities for delivery for the medium term.
- 27 Welsh Government Advisors visited the Council on 24 and 26 June 2014 to review the Council's progress and reported their findings in a letter to the Council dated 26 June 2014. The letter confirmed that the Council continued to demonstrate that it had sustainable systems and processes in place to effectively manage its budget and to plan its finances longer term.

Governance

Many arrangements were in place to deliver the Transforming Blaenau Gwent Programme and with continued momentum to further embed arrangements, they had the potential to secure continuous improvement

- 28 This Wales Audit Office review examined the governance and internal challenge arrangements that the Council had put in place following the two statutory recommendations made by the Auditor General in 2013. This review was Phase One of a two-phased review and we found the following.
- 29 The Transforming Blaenau Gwent Programme (the Programme) set out the need to achieve significant savings with reduced resources. The Programme set out the reporting and management arrangements for the projects identified to make savings through one joint performance and finance report and the introduction of new governance arrangements.
- 30 The Council increased corporate capacity through additions to its Organisational Development and Policy and Performance teams and the creation of a new Strategic Transformation Team to support, guide and challenge officers, managers and members to deliver the Programme. These changes were intended to improve business cases and lead to more robust decision making.
- 31 The Programme Steering Group² (the Steering Group) and the joint performance and finance report³ were key parts of the governance and accountability arrangements. The Steering Group identified remedial actions for project managers to ensure the financial efficiency projects continue to be delivered in a timely manner. However, we noted that failure to address any remedial actions arising from the Steering Group meetings in a timely way could lead to delays in achieving the outcome of the Programme.
- 32 The Council made good progress in establishing a reporting and accountability structure through the creation of team business plans and heads of service business plans'. However, directorate business plans had yet to be written, which created a gap in the process.
- 33 In addition to its formal decision making committees, the Council established additional groups to support delivery of the Programme. For example it had 'Off Agenda' Corporate Management Team meetings, a Cost Pressure Sub Group, a Programme Steering Group, a Financial Planning Focus Group and Coalition for Change. We highlighted issues around transparency of decision making and formal constitution of some of these groups, which the Council undertook to address.

2 The Steering Group is responsible for ensuring individual financial efficiency projects are fully integrated within the overall Programme. Members are required to participate and review key actions in the Programme, provide feedback to the programme director, to receive, advise and escalate risks and issues to the programme director, and to provide visible leadership and commitment to the Programme within their own departments. The members of this group are heads of service or nominated officers.

3 This document combines existing performance and financial monitoring mechanisms. This report is produced monthly and includes departmental budget monitoring information, a summary of progress on the strategic efficiency financial projects, performance indicators from each directorate, Wales Audit Office proposals for improvement and improvement objective updates and the corporate risk register.

- 34 The Council introduced a BRAG (blue, red, amber and green) rating to determine project progress and current status to aid decision making. Those projects deemed to be red or amber were chosen for further scrutiny and challenge. Those projects ranked blue or green received less attention. However, there was inconsistency in the understanding and use of the BRAG rating amongst officers and members. In some projects, officers were assigning ratings to the project actions whilst in others they rated the outcome of the project.
- 35 Scrutiny was improving. The chairs and vice chairs of scrutiny committees understood their role in providing challenge to officers and cabinet members and were also able to articulate the programme reporting pathway.
- 36 The Council had taken positive action around member development. The Centre for Public Scrutiny provided support for members. The Peer Challenge process had been a positive experience for Executive members and had helped them to better understand the services for which they were responsible.
- 37 Levels of accountability had been reinforced. Lead officers had been clearly identified in business plans, and officers and Executive members were identified in project initiation documents, financial efficiencies projects and the corporate projects list. The Council had introduced an annual formal appraisal system for officers and managers along with more regular one-to-one meetings as part of the Council's new performance coaching approach.

The Council's internal challenge and governance arrangements are becoming embedded to help it deliver the intended outcomes of the Transforming Blaenau Gwent Programme, however, more work needs to be done

- 38 In February 2015, we undertook the second stage of the review to assess the extent to which the arrangements were embedded and supporting delivery of planned outcomes. We aimed to reflect the Council's journey to implement the Programme and took into consideration that 2014-15 was its first year of implementation. This review sought to answer the following question: 'Are the Council's internal challenge and governance arrangements effectively delivering the intended outcomes of the Transforming Blaenau Gwent Programme?'

- 39 We concluded that the Council's internal challenge and governance arrangements are becoming embedded to help it deliver the intended outcomes of the Programme, however more work needs to be done. We came to this conclusion because:
- a the Council has made considerable progress, from a particularly weak position, to embed governance arrangements and support decision making to deliver improved outcomes, but more work needs to be done;
 - b the Council achieved the overall savings target set out in the Programme although in some instances the savings were not as originally planned; and
 - c the Council has improved the effectiveness of its monitoring and management of improvements but this is not consistent or embedded across all service areas.

The Council has made considerable progress, from a particularly weak position, to embed governance arrangements and support decision making to deliver improved outcomes, but more work needs to be done

- 40 Budget setting arrangements have improved to enable better consideration of proposals. In preparing the 2014-15 revenue budget, the timescales were tight and did not allow for proper evaluation of the proposals. In preparation for the 2015-16 revenue budget, the process began earlier in the year and provided better opportunities for more challenge and wider consideration of the proposals. The Council has also adopted a constructive approach to determine savings across directorates that takes into account, for example, whether services are statutory or non-statutory and each proposal is supported by a business cases. As a result it is more likely that budget savings will be delivered as planned.
- 41 The Council reviewed the effectiveness of its governance arrangements, which has resulted in the Coalition for Change group ceasing to operate and changes to the terms of reference of the Programme Steering Group. The joint finance and performance reports that were produced monthly will in future be produced on a quarterly basis.
- 42 The Council has engaged with local residents more effectively. The 'Let's Talk' initiative has proved to be a constructive opportunity to engage with local people which has influenced the 2015-16 budget. In preparation for the 2015-16 revenue budget the Council has held sessions to explain budget options, hear local views and later explain how their views have influenced the setting of the budget. This shows a commitment to local engagement that extends beyond just listening.

- 43 The Leisure Trust came into operation in October 2014. The Council established formal documentation to support the Leisure Trust such as a contract and a Service Level Agreement (SLA) but this new relationship is still in its early stages of development. Proposed changes to the management fee soon after the Leisure Trust came into operation were unexpected by the Trust managers and operational protocols such as availability of IT systems have not been agreed. As a result, whilst the Trust has been established, it is clear that the new relationship is not yet well embedded.
- 44 Governance arrangements remain under-developed in some areas. Although the quality of reports is said by Members to have improved, there is more work to be done to ensure that Members understand the issues clearly when making decisions. Some decisions are taken without important details being finalised in reports. For example, the report on the Leisure Trust where details of the management fee and split of any surpluses were not included in the Council reports provided to members. These are important pieces of information that may have influenced the decision to go ahead with the establishment of a Leisure Trust. The potential impact of decisions on services are not always sufficiently made clear in reports and the reaction from service users are not always well anticipated.
- 45 Scrutiny Forward Plans do not always consistently reflect the Programme or specific financial efficiency projects. These factors will affect the quality of decision making within the Council.
- 46 Culture change in some areas needs to keep pace with the speed of and need for change. We found that some managers were not convinced of the deliverability of planned savings even though they had 'signed off' the proposals, and the current savings proposals show that many are still focused on traditional budget reductions or increased income not real transformation. This shows that the transformation process is still in its early stages.

The Council achieved the overall savings target set out in the Programme although in some instances the savings were not as originally planned

- 47 The Council's monitoring reports forecast a revenue budget underspend, indicating that it has achieved its overall savings target. It has been pro-active in identifying alternative savings proposals where the original proposals were found to be undeliverable and benefited from external support to boost capacity and skills in the delivery of the Programme.
- 48 The Council's budget setting arrangements in 2014-15 were not robust in respect of the Programme. Some savings proposals were not achievable resulting in the need for alternatives. Business cases were underdeveloped in some cases and the deliverability of these proposals was not well planned or well implemented. As a result further unplanned savings and cuts in services had to be made to achieve the overall savings target.

- 49 The Council has subsequently developed a professional and disciplined approach to monitor its financial efficiency projects and to respond as required.

The Council has improved the effectiveness of its monitoring and management of improvements but this is not consistent or embedded across all service areas

- 50 The Council has introduced arrangements to improve accountability and there is a heightened sense of positivity around the Programme by officers and members although more work needs to be done. Member Personal Development Reviews are taking place and the Council has introduced challenge sessions attended by cabinet members, scrutiny members and senior managers to hold managers to account. These challenge sessions improve understanding of the latest position and accountability throughout the organisation. However, managers have not been held to account effectively for non-delivery of the original savings proposals and, if alternative savings have been identified, there has been no formal process to feed learning from the 2014-15 Programme process into the 2015-16 process.
- 51 Capacity has been increased to support the Programme but we are unclear whether this will be sufficient to deliver future austerity measures. The Strategic Transformation Team monitors delivery of the Programme and supports and challenges managers. However, this is a new team that is still developing on the job skills and knowledge and it has not been evaluated by the Council to assess whether it has sufficient capacity to deliver future demands. The external support from PwC added some skills and capacity and some skills transfer took place.
- 52 The Council's monitoring arrangements are established but not fully effective. The BRAG rating system highlights progress against targets to help senior managers and members focus on variations from the Programme. However, the rating system can be confusing as the rating is linked to the overall delivery of the original savings target – irrespective of whether this has been replaced by one or several alternative savings schemes. In addition, budgets are not effectively profiled showing the proportion of budget against spending to date. As a result reports will indicate misleading progress against projects.
- 53 The Council is introducing policies, procedures and systems to support delivery of the Programme but this work is incomplete. The recently approved Performance Management and Improvement Planning Framework sets out roles and responsibilities for delivery of the Programme and provides an overview of performance management arrangements. The performance management system to replace Ffynnon is being developed but timescales are tight. Opportunities exist to explore the development of a corporate performance management system which could also support the Programme with monitoring information.
- 54 The Council's profiling of the budget does not effectively support monitoring of the Programme by assessing actual spend/income against the profiled budget.

The Council continued to make acceptable progress in meeting the challenges it faces

- 55 Welsh Government Advisors returned to monitor the Council in September and October 2014 and reported that the Council continued to make acceptable progress in meeting the challenges it faces. The advisors were satisfied that the Council:
- a Demonstrated a healthy financial position in terms of its general reserves, earmarked reserves, and school balances.
 - b Had effective budget monitoring systems in place to manage budget pressures and control its 2014-15 budget. The Council was projecting an overspend of £180,000 but the advisors were confident based on last year's performance that expenditure will out-turn on budget.
 - c Effectively monitored and managed its programme to deliver efficiency savings for 2014-15 via its Transformation Programme Steering Group.
 - d Had developed an effective working relationship with its external partner PwC to identify and implement a longer term programme for efficiency savings for 2015-16 and beyond based on a realistic and flexible model for alternative service delivery.
 - e Was well placed to meet challenging Welsh Government savings targets.
 - f Had appropriately reviewed its budget setting process and timetable for 2015-16 to include improved consultations and input from its employees, trade unions, and the local community.
 - g Continued to develop its model for regular finance and performance reporting. This remained a work in progress. The Council had found monthly reporting a challenge and intended to report bi-monthly, which we considered acceptable.
- 56 It was noted that the 2013 Peer Review report for the Council identified two key priorities: to improve its financial sustainability and to improve educational outcomes. The Council had successfully achieved the first but had yet to demonstrate significant and sustainable improvement in outcomes for learners. The 2014 Key Stage 4 results overall were relatively disappointing and as a consequence much needed to be done by the Council and its schools during 2014-15 to achieve improved outcomes in 2015.

The Wales Audit Office reported on the Council's arrangements to support safeguarding of children in October 2014

- 57 During the period March to May 2014, the Wales Audit Office completed a review of the Council's assurance and accountability arrangements for ensuring that safeguarding policies and procedures were in place and were being adhered to. The study examined what the Council itself had done to seek assurance that its arrangements to support safeguarding were effective by reviewing how the Council was discharging its safeguarding responsibilities at all levels: Cabinet, Senior Management Team, Scrutiny and individual officers. The following paragraphs describe the main conclusions from the work.

The Council's governance, accountability and management arrangements for overseeing its safeguarding responsibilities to children were mostly adequate but some improvements could be made

- 58 The Council is a member of the South East Wales Safeguarding Children Board (SEWSCB) which covers the five Gwent councils and was set up in April 2013. The SEWSCB is a multi-agency partnership comprising representatives from Gwent Police, Social Services, and Education Directorates from the five councils, the Voluntary Sector, Youth Offending Services, the All Wales Probation Trust, CAF/CASS Cymru, Housing, Public Health Wales, and Aneurin Bevan Health Board. The purpose of SEWSCB is to ensure safeguarding children remains high on the agenda across the region.
- 59 There was no general agreement amongst senior officers and members on who fulfilled the role of Local Authority Designated Officer for safeguarding, partly because the Council did not have one person named as the Designated Officer for safeguarding. Rather, it had a named Designated Strategic Lead in each Directorate. From our survey, it was clear that staff and member understanding of these arrangements needed to be improved.
- 60 The Council's corporate management team led on ensuring safeguarding is embedded into the work of the Council. The corporate management team introduced new arrangements to cascade the corporate safeguarding policy through departments, from management teams to heads of service and to individual teams. This process, once completed, would enable the Council to ensure that all staff had been made aware of the importance of safeguarding and their role in discharging the Council's responsibilities.
- 61 The Council's policies, procedures and plans provided some assurance on safeguarding. The Council used the All Wales Child Protection Procedures to manage safeguarding, and also had a specific Council-wide Child Protection Policy. In addition, there were also specific child-protection policies covering schools, education and leisure services. To ensure all services were acting consistently and to satisfy itself that it had comprehensive arrangements in place, the Council needed to fully align these policies with the corporate safeguarding policy.

62 The Council had a risk management approach to support how it meets its children safeguarding responsibilities. Each department had a risk register that fed into the Corporate Risk Register and safeguarding was highlighted as a risk at both corporate and service level. The risk register set out the Council's plans for mitigation, the residual risk following this activity, the risk owner and how future actions would be monitored and evaluated. Reports on corporate risk were included on the Scrutiny Committee Forward Work Programme. The Executive Member and Scrutiny Chair also received information on departmental risk management via briefing sessions from the Director of Social Services and Head of Children's Services.

The Council's arrangements for monitoring and evaluating its safeguarding responsibilities to children had some weaknesses which the Council was addressing

63 The Council had a self-evaluation process which had been designed to help it plan effectively, but this process was only introduced recently and was therefore not yet fully embedded. There was some evidence that information and performance were being monitored, evaluated and challenged. The Council had agreed a timeframe for monitoring and reviewing information and performance related to safeguarding children. It produced quarterly reports that were aligned to actions in the Council Business Plan, but monitoring and reporting systems needed to be developed to track effective implementation of safeguarding. There was no set cycle for reporting safeguarding issues to cabinet or scrutiny.

64 The Council had some assurance that it had appropriate systems for the safe recruitment of staff. For example, all offers of employment are conditional on the receipt of satisfactory checks and the Council was developing a training protocol for new starters.

65 The Council also had some assurance that members, staff and volunteers were appropriately trained in safeguarding. The corporate safeguarding policy was clear on expectations for training of members, staff and volunteers. However, we found that the Quarterly Director of Social Services Report 2013-14 stated that the Council needed to develop and implement a Child Protection training programme for all school staff, governors and relevant Council education staff and support agencies. This action was ongoing, and scheduled for completion in July 2014. For the past 18 months the person who had been delivering child-protection training was the education lead who was a joint appointment between Newport and Blaenau Gwent Councils, which has recently ended.

66 Nevertheless, the Council was above the survey average for the number of people who have received training on safeguarding in the last six months. The Council also had few people who have never received safeguarding training.

The Council's approach to identifying and acting on improvements in its safeguarding arrangements had some weaknesses which the Council was addressing

- 67 The Council's safeguarding arrangements received limited audit. Children Services reviewed certain parts of their service processes but this did not cover corporate arrangements and there was no agreed cycle of reporting issues arising from these audits to provide members with the opportunity to challenge and scrutinise performance. The Council planned to roll out the approach developed in Social Services to other service areas. However, this was not in place at the time of our assessment.
- 68 The Council had assurance that it complied with data protection requirements. The Council used various methods to ensure data protection in relation to children and young people, for example, child-protection minutes and reviews were distributed to clients by hand where possible. Our survey found that a greater proportion of respondents strongly agreed or agreed that they felt the Council dealt effectively with specific incidents concerning safeguarding and protecting children and young people.
- 69 The Council's internal audit current or forward work programmes did not include any work on safeguarding.

The Council was reviewing its whistleblowing policy but the arrangements to support implementation and management of the policy needed to be strengthened

- 70 The Council's Whistleblowing Policy was concise, well-structured and supportive but was under review at the time of our work and needed to be finalised. The Policy demonstrated the Council's commitment to whistleblowing, but the policy and procedures had not been subjected to challenge and scrutiny by elected members. Training on whistleblowing was available but could be improved through the inclusion of training on conducting investigations. The Council had made the Whistleblowing Policy available on the intranet and publicised it through other means but had not checked staff awareness and understanding. Ensuring staff who do not have access to a computer were aware of the policy needed to be addressed.

Performance

The local authority made a good start in addressing Estyn's recommendation for improving safeguarding following its inspection of the local authority in 2013

- 71 Following Estyn's inspection of education services for children and young people in January 2013, the authority was kept in the follow-up category of special measures. Estyn carried out a monitoring visit in July 2014 to review recommendation 7 'Ensure that safeguarding procedures are robust and underpinned by a clear policy'. Following the visit, Estyn concluded as follows.
- 72 The local authority had produced an appropriate action plan to address the safeguarding issues identified in the inspection. Safeguarding was now a corporate responsibility and was underpinned by new corporate policies, with clearly defined job descriptions and responsibilities for the safeguarding lead in each directorate. These responsibilities included regular reporting on safeguarding to elected members and corporate managers. Senior managers had begun to improve how they quality assure the implementation of these policies and procedures.
- 73 The local authority worked well with another local authority to put in place the foundations for these reforms. This led to improvements in the quality of the local authority's corporate safeguarding and child protection documents and procedures, and to the advice guidance and support given to schools and other education services. The local authority consulted with stakeholders appropriately in developing these policies, which improved their confidence in the availability of support and guidance from local authority officers.
- 74 The local authority had taken firm steps to ensure that the education department is a key partner in the safeguarding team, which was located within the line management of Blaenau Gwent social services. This team had improved access for staff in schools and school governors to appropriate training. This led to better targeted courses and an increase in take up by those who needed it.
- 75 There was also appropriate training and on-going support for the designated lead for safeguarding in each school. The designated lead staff and the education services' safeguarding officer met regularly and those meetings have been useful for staff to raise issues of concern. For example, schools highlighted that they needed training on domestic abuse and its implications for schools and this was addressed. Head teachers and other staff were now more confident when responding to safeguarding issues.
- 76 The safeguarding team had also begun to improve the quality and usefulness of the data it collected and analysed from individual schools and services. It now provides the authority with clearer quarterly reports. The team plans to improve the monitoring and reporting of safeguarding further by including data about bullying incidents and restrictive physical intervention. The team's analysis of referrals to social services had been helpful to stakeholders but this data was not analysed well enough to identify underlying trends and themes.

- 77 The local authority had revised its safe recruitment guidance. Head teachers and managers had good access to training in safe recruitment practices and were clearer about their responsibilities. For example, they understood that new employees cannot be paid until head teachers and managers have completed full identity checks and scrutinised references. However, the local authority's guidance regarding the recruitment of volunteers was still not understood by all, with the result that head teachers were not aware of the full range of checks required by the local authority. However, revisions to the guidance were in advanced stages of consultation with service providers.
- 78 The lead officer for safeguarding met regularly with the lead member for safeguarding to share safeguarding intelligence. Other elected members were briefed through reports to the joint scrutiny committee. However, the impact of leadership by elected members for improving safeguarding across the local authority remained unclear.

The local authority's pace of progress in addressing four of Estyn's recommendations had been slow

- 79 In November 2014, Estyn conducted a monitoring visit to review the following four recommendations out of seven that were made following Estyn's inspection in 2013:
- R2 Secure more thoroughness and consistency in self-evaluation both operationally and strategically.
 - R3 Formalise and strengthen business planning and performance management systems in order to focus more on outcomes and hold officers to account.
 - R4 Create a leadership structure with the mandate to align the efforts of all relevant agencies in order to co-ordinate and direct initiatives for school improvement.
 - R5 Use the full range of powers available to the authority to improve underperforming schools more quickly.
- 80 Following the monitoring visit, Estyn concluded that the local authority's pace of progress in addressing these four Estyn recommendations had been slow. This was because recommendations made in January 2013 had only recently begun to be addressed. The relationship between the recovery board, the local authority's officers and elected members was improving. However, this relationship was not close enough to achieve an increased drive for change. At the moment, the various parties had not worked out well enough how they would work together effectively to improve the educational outcomes for children and young people in Blaenau Gwent.

In 2013-14, social services saw considerable change at both corporate and departmental levels. New heads of service for both adult and children services were appointed and 2013-14 saw the impact of the planned restructuring of services, coupled with the need to make savings as required in the budget review.

- 81 The CSSIW published its Annual Review and Evaluation of Performance 2013-2014 in October 2014 and the [CSSIW annual performance evaluation report is available here](#).
- 82 The CSSIW reported that the Council had seen considerable change at both corporate and departmental level in 2013-14. Within the social services department the director led the restructuring and development of services. The senior management team had seen the appointment of new heads of service for both children's and adult services. Internal appointments to these posts provided consistency at a time of potential instability. The year saw the impact of the planned restructuring of services, coupled with the need to make savings as required in the budget review.
- 83 Areas of corporate improvement were identified by the Wales Audit Office. This necessitated the provision of external support and input to drive improvement in governance arrangements. The director reported that social services managed to end 2013-14 with an underspend of £275,000 and further savings of £1.4 million were planned for 2014-15.
- 84 The planned restructuring of children's services began early in 2013-14. This included the development of new teams, following a consultation exercise, which provided opportunities to develop new working arrangements. These included clear links with preventative services which would sit within the social services department. While some areas for improvement were found during the looked after children inspection, overall children's services maintained their good performance of the previous year.
- 85 In adult services, the restructuring supported national and local objectives to enable people to be more independent. The reconfiguration of teams began with a focus on collaborative working with health colleagues. Work had been undertaken to strengthen commissioning arrangements and improve the quality of commissioned services. CSSIW's inspection of commissioning identified further areas for improvement to provide a structured approach to measure outcomes for people.
- 86 The director's report provided a clear picture of the situation. It considered progress against the priorities from the previous year and set new objectives for 2014-15. This included preparedness for the Social Services and Well-being (Wales) Act 2014 referencing current and proposed collaborative arrangements with health and other partners, as well as consideration of newer models, for example, social enterprise. The report discussed plans for integration of health and social care services for older people with complex needs and plans to make progress with this in 2014-15.

- 87 The director considered and outlined the arrangements to support the provision of services in the medium of Welsh or other languages of need. This included references to local need, the council's policy and staff training to underpin the implementation of More than Just Words – Strategic Framework for Welsh Language Services in Health, Social Services and Social Care.
- 88 The director's report and evidence demonstrated that the Council had plans based on local need and continued to consult on local people's preferences. This included feedback from people who use the services.
- 89 Although there were mechanisms in place for quality review, these needed to be revised and strengthened to provide a framework that could be used to measure success in terms of outcomes for people.

CSSIW undertook a national inspection of safeguarding and care planning of looked-after children and care leavers who exhibit vulnerable or risky behaviour

- 90 During 2014-15 CSSIW undertook an inspection of safeguarding and care planning of looked-after children and care leavers who exhibit vulnerable or risky behaviour. The inspection was carried out as part of the CSSIW national thematic inspection programme. The methodology for the review was undertaken in each local authority across Wales, between January and May 2014. The aim of the national inspection was to assess the quality of care planning across Wales and whether it effectively:
- a supported and protected looked after children and care leavers;
 - b identified and managed the vulnerabilities and risky behaviour of looked after children and care leavers;
 - c promoted rights based practice and the voice of the child;
 - d promoted improved outcomes for looked after children and care leavers; and
 - e promoted compliance with policy and guidance.

Findings from the individual local authority inspections and the CSSIW national overview report can be found on the CSSIW website and is available here: [CSSIW safeguarding and care planning report](#).

The Council was considering how to use financial and performance data from our Social Services Sustainability work across the five Gwent councils to plan for future social services provision

- 91 As part of our Social Services Sustainability work across the five Gwent Councils, we produced a document for the Council that presented:
- a future demand for social services in Blaenau Gwent through benchmarking population projections for children and older people; and
 - b a suite of graphical analyses that combined financial and performance data for social services in Blaenau Gwent over multiple years and which also placed Blaenau Gwent within the context of the other 21 Welsh councils.
- 92 There were no recommendations or conclusions from our work as we provided each council with a data pack that displayed the information from a different perspective and facilitated a Gwent-wide workshop for Directors of Social Services and Directors/Heads of Finance to discuss. We received positive feedback on the output and await to see how the Council uses this approach as part of its internal challenge processes.

The Council was mostly meeting its statutory environmental health obligations but because of budget and staff cuts, environmental health services were at a tipping point and were at risk of being unable to effectively deliver their current responsibilities or take on new statutory duties

- 93 In December 2014 we reviewed the Council's environmental health services as part of one of our all-Wales studies. The study considered the impact of cuts in resources on the ability of council environmental health services to deliver their statutory obligations.
- 94 Our review concluded that 'the Council was mostly meeting its statutory environmental health obligations but because of budget and staff cuts, environmental health services were at a tipping point and were at risk of being unable to effectively deliver their current responsibilities or take on new statutory duties'.
- 95 In reaching our conclusion, we reported the following findings:
- a councils had many statutory environmental health duties but spending was not being protected during the current period of financial austerity, which was making it more difficult to deliver national strategic priorities;
 - b the Council was delivering most of its environmental health services at the highest levels as judged against the Best Practice Standards;

- c between 2011-12 and 2013-14 the Council made significant cuts in both environmental health budgets and staff numbers;
- d staff survey respondents were mostly positive about the current standard of the environmental health service but there was a low awareness of current performance or future plans amongst citizens; and
- e new environmental health statutory duties were being introduced which the Council would find difficult to deliver.

The Council improved data quality arrangements, however these arrangements were not consistently applied

- 96 In January 2015, we carried out a sample check of data quality reviewing six National Strategic Indicators (NSIs) and their underlying systems.
- 97 In undertaking a detailed review of the selected performance measures, we found that the following measures had data systems which were fit for purpose, were effectively run and where the PI definition was understood:
- a SCC/002 – The percentage of children looked after at 31 March who have experienced one or more changes of school, during a period or periods of being looked after, which were not due to transitional arrangements, in the 12 months to 31 March; and
 - b EDU/016b – Percentage of pupil attendance in secondary schools.
- 98 One measure had a good system for capturing all relevant data, but the definition and guidance for this PI were not being fully followed. The measure was:
- a SCA/002a – The rate of older people (65 and over) supported in the community per 1,000 of the population, aged 65 or over on 31 March.
- 99 We found a good system for capturing the data required for one measure, but there was a poor audit trail:
- a LCS/002 – The number of visits to local authority sport and leisure facilities during the year per 1,000 population where the visitor will be participating in physical activity.
- 100 Data for one measure was collated per the guidance; however, the calculation used was inaccurate. The measure was:
- a STS/005b – The percentage of highways inspected of a high or acceptable standard of cleanliness.
- 101 The following measure: THS/012 – The percentage of principal (A) roads, non-principal/classified (B) roads and non-principal/classified (C) roads that are in overall poor condition was calculated based on external data which had little possibility of input or alteration by the Council.

The Council committed most of its Discretionary Housing Payments but because of some weaknesses in the quality and range of public information and its systems for managing funds, it was not always clear if those in the greatest need were receiving help

- 102 The Welfare Reform Act 2012 heralded a significant change to the administration and distribution of benefits and would have a major impact on many citizens. In April 2011, the UK Government embarked on a programme of reform, which will culminate with the phased introduction of Universal Credit between October 2013 and 2017. A major focus of the UK Government's plans are changes to Housing Benefit, which are aimed at reducing annual expenditure by around £2.3 billion. These changes will mean that millions of households in Great Britain will receive less in benefits, creating hard choices for them about how they use their money and manage financially on a day-to-day basis.
- 103 In January 2015, the Auditor General for Wales published his report on how well councils are managing the impact of welfare reform changes on social housing tenants in Wales. His report reviewed the management and use of Discretionary Housing Payments (DHPs) by councils in Wales and concluded that the allocation, distribution, administration and use of these payments had significant inconsistencies and weaknesses. We followed up this work at individual councils.
- 104 Our review in Blaenau Gwent found that whilst there was a section on the Council's website for discretionary housing payments, the link to access information did not work. There was no on line DHP application form for customers to complete, and there was no information provided to support applicants on how to apply; the Council's priorities for assistance; or information on the right to request a review of decisions. The Council advised applicants on their entitlement to discretionary housing payments, the process for applying and completing application forms via individual face-to-face interviews. Whilst this provided good levels of support to applicants, because of the geographical and transport difficulties within Blaenau Gwent, this could make it difficult for applicants to attend interviews and apply in person at Council offices. The Council took the opportunity to advise the customer of the review process at this time.
- 105 The Council had established internal processes for the administration of DHPs including a joint housing benefit and Housing Options teams working group. However, there was no specific policy document setting out the Council's priorities for use of DHPs or how payment of DHPs linked with a wider Council strategy or policy for welfare reform. The Council planned to adopt the pan-Wales good practice arrangement currently under development for the administration of DHPs.

- 106 The Council required applicants to provide a significant amount of information, which was used to identify the person's income and expenditure. For example, the Council asked for detailed evidence including costs for: groceries, gas, electricity, water rates, satellite television, TV licence, insurances, car tax, fuel, public transport, meals, pets, clothing, loans, credit cards, debts etc, maintenance, mobile, tobacco and any other outgoings. The amount of information requested may put off vulnerable people from applying. If the applicant provided no proof, the Council used standard amounts to process the DHP application. The Council was updating its form and assessment procedures to make it simpler for people to apply for assistance and to improve consistency in decision-making as part of the roll-out of the pan-Wales DHP project.
- 107 The Council had systems in place to monitor the amount it had spent against its allocation from the Department for Work and Pensions (DWP). The Council also monitored how many customers had been awarded DHPs including the number of landlords who had been assisted. The Council also collated information which assessed the impact of DHPs recording the reason for the DHP award (such as under-occupancy, benefit cap and rent in advance/removal costs). However, it was not clear how this information was used to improve the Council's anti-poverty of welfare reform policy or strategy.
- 108 At the end of November 2014, the Council had spent £170,256 (85.4 per cent) of its allocation from DWP of £199,387. The Council had received 670 applications, of which 430 were approved and awarded DHP and 240 were refused.

The Council's approach to promoting the Welsh language remained underdeveloped, the Council recognised this and was taking action to improve arrangements in some areas but more work needed to be done

- 109 The role of the Welsh Language Commissioner (the Commissioner) was created by the Welsh Language (Wales) Measure 2011. New powers to impose standards on organisations came into force through subordinate legislation on 31 March 2015. The Commissioner continued to review Welsh language schemes by virtue of powers inherited under the Welsh Language Act 1993.
- 110 The Welsh Language Commissioner worked with all councils in Wales to inspect and advise on the implementation of language schemes. It is the responsibility of councils to provide services to the public in Welsh in accordance with the commitments in their language schemes. Every council is committed to providing an annual monitoring report to the Welsh Language Commissioner outlining its performance in implementing the language scheme. The Welsh Language Commissioner analyses every monitoring report, provides a formal response and collects further information as required.

111 One Welsh speaker was employed in the Council's contact centre, however no Welsh-language option is provided when contacting the advertised telephone number. Steps have been taken to improve the process of recording the workforce's language skills, however, the Council's understanding of the situation remained incomplete. Eighty-five per cent of the website's pages were available in Welsh, and a new bilingual recruitment website was to be published in the next year. The Council provided an annual programme of language training for staff, with eight members of staff completing a two-day 'taster course'. Welsh language awareness training was not provided. No information was provided in the annual report on the Council's arrangements to mainstream the Welsh language into their policies and initiatives, or on its arrangements to ensure that services delivered on its behalf by others complied with the Welsh language scheme.

Appendix 1 – Status of this report

The Local Government (Wales) Measure 2009 (the Measure) requires the Auditor General to undertake an annual improvement assessment, and to publish an annual improvement report, for each improvement authority in Wales. This requirement covers local councils, national parks, and fire and rescue authorities.

This report has been produced by staff of the Wales Audit Office on behalf of the Auditor General to discharge his duties under section 24 of the Measure. The report also discharges his duties under section 19 to issue a report certifying that he has carried out an improvement assessment under section 18 and stating whether, as a result of his improvement plan audit under section 17, he believes that the authority has discharged its improvement planning duties under section 15.

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 councils, national parks, and fire and rescue authorities.

The annual improvement assessment is the main piece of work that enables the Auditor General to fulfil his duties. The improvement assessment is a forward-looking assessment of an authority’s likelihood to comply with its duty to make arrangements to secure continuous improvement. It also includes 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 Auditor General will summarise his audit and assessment work in a published annual improvement report for each authority (under section 24).

The Auditor General may also, in some circumstances, carry out special inspections (under section 21), which will be reported to the authority and Ministers, and which he may publish (under section 22). An important ancillary activity for the Auditor General 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 may also take account of information shared by relevant regulators (under section 33) in his assessments.

Appendix 2 – Audit of Blaenau Gwent County Borough Council’s 2014-15 Improvement Plan

Certificate

I certify that I have audited Blaenau Gwent County Borough Council’s (the Council) Improvement Plan in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Council has discharged its duties under section 15(6) to (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

Respective responsibilities of the Council and the Auditor General

Under the Measure, the Council is required to prepare and publish an Improvement Plan describing its plans to discharge its duties to:

- make arrangements to secure continuous improvement in the exercise of its functions;
- make arrangements to secure achievement of its improvement objectives; and
- make arrangements to exercise its functions so that any performance standard specified by Welsh Ministers is met.

The Measure requires the Council to publish its Improvement Plan as soon as is reasonably practicable after the start of the financial year to which it relates, or after such other date as Welsh Ministers may specify by order.

The Council is responsible for preparing the Improvement Plan and for the information set out within it. The Measure requires that the Council has regard to guidance issued by Welsh Ministers in preparing and publishing its plan.

As the Council’s auditor, I am required under sections 17 and 19 of the Measure to carry out an audit of the Improvement Plan, to certify that I have done so, and to report whether I believe that the Council has discharged its duties to prepare and publish an Improvement Plan in accordance with statutory requirements set out in section 15 and statutory guidance.

Scope of the Improvement Plan audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information, or whether the Improvement Plan published by the Council can be achieved. Other assessment work that I will undertake under section 18 of the Measure will examine these issues. My audit of the Council’s Improvement Plan, therefore, comprised a review of the plan to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the plan complied with the requirements of the legislation, and that the Council had regard to statutory guidance in preparing and publishing its plan.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

Huw Vaughan Thomas

Auditor General For Wales

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

Non Jenkins, Manager

Jackie Joyce, Performance Audit Lead

Appendix 3 – Audit of Blaenau Gwent County Borough Council’s assessment of 2013-14 performance

Certificate

I certify that I have audited Blaenau Gwent County Borough Council’s (the Council) assessment of its performance in 2013-14 in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Council has discharged its duties under sections 15(2), (3), (8) and (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

Respective responsibilities of the Council and the Auditor General

Under the Measure, the Council is required to annually publish an assessment which describes its performance:

- in discharging its duty to make arrangements to secure continuous improvement in the exercise of its functions;
- in meeting the improvement objectives it has set itself;
- by reference to performance indicators specified by Welsh Ministers, and self-imposed performance indicators; and
- in meeting any performance standards specified by Welsh Ministers, and self-imposed performance standards.

The Measure requires the Council to publish its assessment before 31 October in the financial year following that to which the information relates, or by any other such date as Welsh Ministers may specify by order.

The Measure requires that the Council has regard to guidance issued by Welsh Ministers in publishing its assessment.

As the Council’s auditor, I am required under sections 17 and 19 of the Measure to carry out an audit to determine whether the Council has discharged its duty to publish an assessment of performance, to certify that I have done so, and to report whether I believe that the Council has discharged its duties in accordance with statutory requirements set out in section 15 and statutory guidance.

Scope of the audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information. Other assessment work that I will undertake under section 18 of the Measure may examine these issues. My audit of the Council's assessment of performance, therefore, comprised a review of the Council's publication to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the assessment complied with the requirements of the legislation, and that the Council had regard to statutory guidance in preparing and publishing it.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

Huw Vaughan Thomas

Auditor General For Wales

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

Non Jenkins, Manager

Dave Wilson, Performance Audit Lead

Appendix 4 – Annual Audit Letter

Mr David Waggett
Chief Executive
Blaenau Gwent County Borough Council
Municipal Offices
Civic Centre
Ebbw Vale
NP23 6XB

Dear David

Annual Audit Letter – Blaenau Gwent County Borough Council 2013-14

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 as the Appointed Auditor and my reporting responsibilities under the Code of Audit Practice.

The Council complied with its responsibilities relating to financial reporting and use of resources

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; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This code is based on International Financial Reporting Standards. On 08 October 2014, I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Council's financial position and transactions. My report is contained within the Statement of Accounts. The key matters arising from the accounts audit were reported to members of the Audit Committee in my Audit of Financial Statements report on 29 September 2014, and a more detailed report will follow in due course.

The Council has responded positively to the statutory recommendations made in 2013 by the Appointed Auditor and Auditor General for Wales

My 2012-13 Annual Audit Letter issued in October 2013 contained a Statutory Recommendation under Section 25(2) of the Public Audit Wales Act 2004. The recommendation required the Council:

- to act immediately to identify and approve the actions required to deliver a legal and balanced budget for 2014-15; and
- to agree a sustainable Medium Term Financial strategy that will enable the Council to live within its means.

The letter also referred to the fact that the Auditor General for Wales' Improvement Assessment letter dated 2nd October 2013 included two statutory recommendations for improvement to address weaknesses identified in the Council's financial planning and scrutiny arrangements.

The Auditor General recommended that the Minister for Local Government and Government Business should use her powers under Section 28 of the Local Government (Wales) Measure to provide support to the Council to address its serious financial difficulties and to enable the Council to take the prompt and significant action required. The Minister acted on this recommendation and a package of appropriate support was provided to the Council.

The Auditor General and I have monitored the Council's progress in addressing our respective recommendations over the last twelve months and have concluded that during 2013-14 and to date in 2014-15, the Council with the support of the Welsh Government advisors has responded positively to the recommendations. In doing so, the Council has taken appropriate action to improve its financial management arrangements. Although it is too early to confirm whether the actions taken to date will deliver the full quantum of the savings required, the progress made is encouraging.

The new arrangements introduced include:

- An overarching strategy, Transforming Blaenau Gwent Programme 2013-2017. This is intended to be the framework under which the Council is to drive its transformation agenda forward. The aims of the Transformation Programme are to ensure that all significant projects and work streams are co-ordinated and monitored in one plan and that the Council maintains firm control on progress made in achieving key financial and strategic priorities.
- Monthly monitoring of savings plans by the Programme Steering Group which has strengthened the Council's financial management and control arrangements.
- New Finance & Performance Reporting arrangements which bring together financial and performance information. Information from the new Finance and Performance report supplements existing financial and performance information and is presented to the Corporate Management Team, Executive Committee and the Corporate Overview Scrutiny Committee as the lead committee for corporate business.
- A sub group of the Executive, called the Cost pressure sub group, chaired by the Deputy leader, to monitor action plans dealing with in-year cost pressures.

It is important that the Council continues to build upon the progress it has made over the last year. The Council continues to face significant financial challenges going forward and therefore it is essential that it continues to closely monitor the effectiveness of the arrangements it has introduced. The arrangements should continue to be developed and refined as appropriate to ensure that the Council remains financially sustainable in the future.

I am satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources

My consideration of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government (Wales) Measure 2009. The Auditor General will highlight areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made when he publishes his Annual Improvement Report.

I issued a certificate confirming that the audit of the accounts has been completed on 08 October 2014.

My work to date on certification of grant claims and returns has not identified any significant issues that would impact on the 2014-15 accounts or key financial systems

My grant certification work on your grant claims and returns to date, has not identified any significant issues that would impact on your 2014-15 accounts or the key financial systems. A more detailed report on my grant certification work will follow in 2015 once this year's programme of certification work is complete.

The financial audit fee for 2013-14 is currently expected to be in line with the agreed fee of £191,489 as detailed in correspondence sent to the Chief Executive dated 01 May 2014.

Yours sincerely



Derwyn Owen

Financial Audit Director

For and on behalf of the Appointed Auditor

Appendix 5 – National report recommendations 2014-15

Date of report	Title of review	Recommendation
May 2014	Good Scrutiny? Good Question!	R1 Clarify the role of executive members and senior officers in contributing to scrutiny.
		R2 Ensure that scrutiny members, and specifically scrutiny chairs, receive training and support to fully equip them with the skills required to undertake effective scrutiny.
		R3 Further develop scrutiny forward work programming to: <ul style="list-style-type: none"> • provide a clear rationale for topic selection; • be more outcome focused; • ensure that the method of scrutiny is best suited to the topic area and the outcome desired; and • align scrutiny programmes with the council's performance management, self-evaluation and improvement arrangements.
		R4 Ensure that scrutiny draws effectively on the work of audit, inspection and regulation and that its activities are complementary with the work of external review bodies.
		R6 Ensure that the impact of scrutiny is properly evaluated and acted upon to improve the function's effectiveness; including following up on proposed actions and examining outcomes.
		R7 Undertake regular self-evaluation of scrutiny utilising the 'outcomes and characteristics of effective local government overview and scrutiny' developed by the Wales Scrutiny Officers' Network.
		R8 Implement scrutiny improvement action plans developed from the Wales Audit Office improvement study.
		R9 Adopt Participation Cymru's 10 Principles for Public Engagement in improving the way scrutiny engages with the public and stakeholders.

Date of report	Title of review	Recommendation
July 2014	Young people not in education, employment or training - Findings from a review of councils in Wales	R1 Together with partners, map and review expenditure on NEETs services to better understand the resources required to deliver the Framework.
		R2 Clarify their strategic approach to reducing the proportion of 19 to 24 year olds who are NEET as well as their approach for 16 to 18 year olds.
		R3 Focus on young people with significant or multiple barriers to engaging with education, employment or training rather than those who are more likely to re-engage without significant additional support.
		R4 Develop their objectives and targets for reducing the number of young people NEET so that they can be held to account and their work aligns with the Welsh Government's targets and objectives.
		R5 Ensure that elected members and partners fully understand that councils have a clear responsibility for leading and co-ordinating youth services for 16 to 24 year olds.
		R6 Improve the evaluation of the effectiveness and relative value for money of the services and interventions in their area that are intended to reduce the proportion of young people who are NEET.

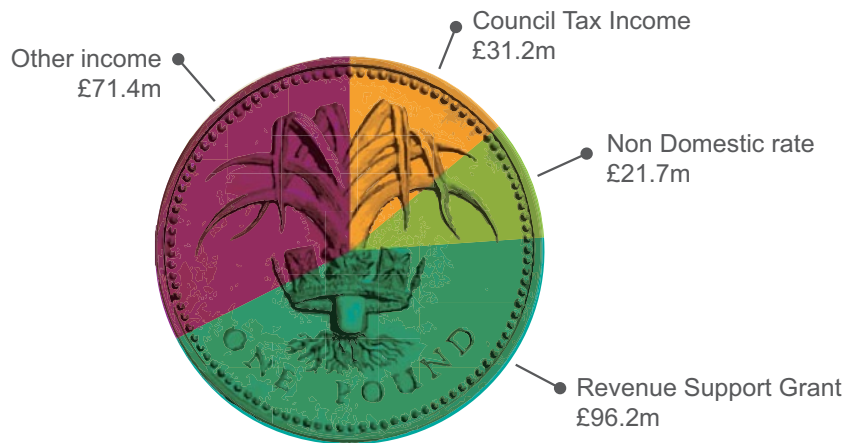
Date of report	Title of review	Recommendation
October 2014	Delivering with less – the impact on environmental health services and citizens	<p>R1 Revise the best practice standards to:</p> <ul style="list-style-type: none"> • align the work of environmental health with national strategic priorities; • identify the wider contribution of environmental health in delivering strategic priorities of the Welsh Government; and • identify the benefit and impact of environmental health services on protecting citizens.
		<p>R2 Provide scrutiny chairs and members with the necessary skills and support to effectively scrutinise and challenge service performance, savings plans and the impact of budget reductions.</p>
		<p>R3 Improve engagement with local residents over planned budget cuts and changes in services by:</p> <ul style="list-style-type: none"> • consulting with residents on planned changes in services and using the findings to shape decisions; • outlining which services are to be cut and how these cuts will impact on residents; and • setting out plans for increasing charges or changing standards of service.
		<p>R4 Improve efficiency and value for money by:</p> <ul style="list-style-type: none"> • Identifying the statutory and non-statutory duties of council environmental health services. • Agreeing environmental health priorities for the future and the role of councils in delivering these. • Determining an 'acceptable standard of performance' for environmental health services (upper and lower) and publicise these to citizens. • Improving efficiency and maintaining performance to the agreed level through: <ul style="list-style-type: none"> – collaborating and/or integrating with others to reduce cost and/or improve quality; – outsourcing where services can be delivered more cost effectively to agreed standards; – introducing and/or increasing charges and focusing on income-generation activity; – using grants strategically to maximise impact and return; and – reducing activities to focus on core statutory and strategic priorities.
		<p>R5 Improve strategic planning by:</p> <ul style="list-style-type: none"> • identifying, collecting and analysing financial, performance and demand/need data on environmental health services; • analysing collected data to inform and understand the relationship between 'cost: benefit: impact' and use this intelligence to underpin decisions on the future of council environmental health services; and • agree how digital information can be used to plan and develop environmental health services in the future.

Date of report	Title of review	Recommendation
January 2015	Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales	<p>R1 Improve strategic planning and better co-ordinate activity to tackle the impact of welfare reform on social-housing tenants by ensuring comprehensive action plans are in place that cover the work of all relevant council departments, housing associations and the work of external stakeholders.</p>
		<p>R2 Improve governance and accountability for welfare reform by:</p> <ul style="list-style-type: none"> • appointing member and officer leads to take responsibility for strategic leadership on welfare reform and be accountable for performance; and • ensuring members receive adequate training and regular briefings on welfare reform to be able to challenge and scrutinise performance and decisions.
		<p>R3 Ensure effective management of performance on welfare reform by:</p> <ul style="list-style-type: none"> • setting appropriate measures to enable members, officers and the public to judge progress in delivering actions; • ensuring performance information covers the work of all relevant agencies and especially housing associations; and • establishing measures to judge the wider impact of welfare reform.
		<p>R4 Strengthen how welfare-reform risks are managed by creating a single corporate-level approach that co ordinates activity across the Council and the work of others to provide adequate assurance that all the necessary and appropriate actions to mitigate risk are taking place.</p>
		<p>R5 Improve engagement with tenants affected by the removal of the spare-room subsidy through:</p> <ul style="list-style-type: none"> • the provision of regular advice and information on the options open to them to address the financial impact of the change in their circumstances; • the promotion of the 'Your benefits are changing' helpline; and • the provision of support to tenants specifically affected by the removal of the spare-room subsidy to participate in regional/national employment schemes.

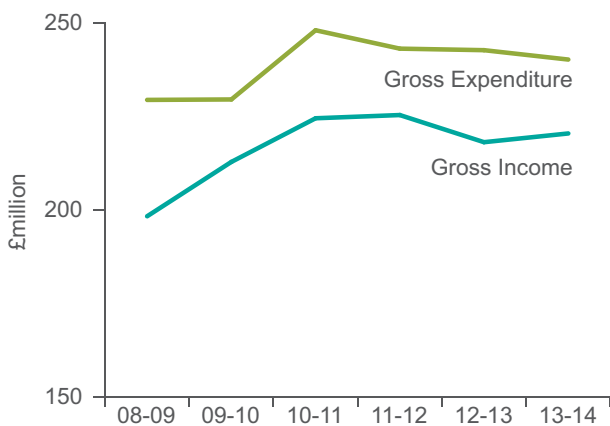
Date of report	Title of review	Recommendation
January 2015	<p>Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales</p>	<p>R7 Improve management, access to and use of Discretionary Housing Payments by:</p> <ul style="list-style-type: none"> • establishing a clear policy or guide that is available in hard copy and online to the public that sets out the Council's policy and arrangements for administering Discretionary Housing Payments; • clearly defining eligible and non-eligible housing costs covered by Discretionary Housing Payments in application forms, policy documentation and applicant guidance leaflets; • clearly setting out the maximum/minimum length of time that such payments will be provided; • setting and publishing the timescale for the Council making a decision on Discretionary Housing Payments applications; • including information within public literature on the Council's policy for right to review or appeal of a decision and the timescales and process to be followed in deciding on these; and • clearly define the priority groups for Discretionary Housing Payments in public literature to ensure that those seeking assistance, and those agencies supporting them, can assess whether such payments are a viable option to address their housing and financial needs.

Appendix 6 – Useful information about Blaenau Gwent County Borough’s Council’s resources

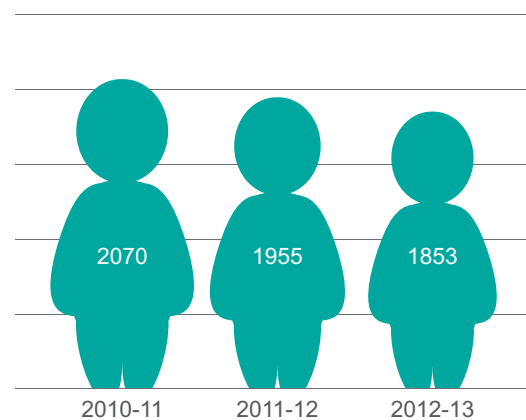
Total Gross Income 2013-14



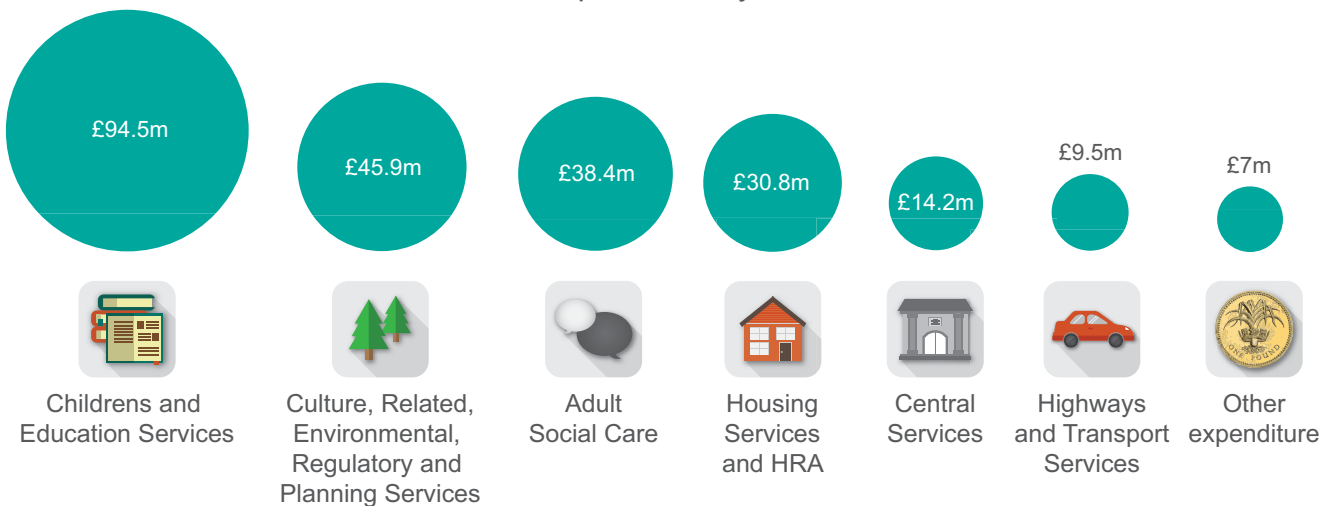
Total Income and Expenditure



Number of whole time equivalent staff 2010-11 to 2012-13



Total Gross Expenditure by service area



Wales Audit Office

24 Cathedral Road

Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru

24 Heol y Gadeirlan

Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn Testun: 029 2032 0660

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru