



24 Cathedral Road / Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ
Tel / Ffôn: 029 20 320500
Fax / Ffacs: 029 20 320600
Email / Epost: wales@wao.gov.uk
www.wao.gov.uk

Iwan Davies
Chief Executive
Conwy County Borough Council
Bodlondeb
Conwy
LL32 8DU

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Pages 1 of 6

Dear Iwan,

Improvement Assessment Letter

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

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

Further to my earlier Improvement Assessment letter of 21 September 2012, this letter summarises:

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

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

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

Improvement planning

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

While the Measure requires councils to publish their improvement plans as soon as possible after the beginning of the financial year, I reported in my September letter that, following the local government elections in May 2012, the Council had decided to review its Improvement Objectives to determine whether it could deliver all of them by 2016-17 and to examine a series of funding scenarios to determine their relative priority. The scenarios ranged from limited changes to current budgets to the realignment of resources from services to support the delivery of Improvement Objectives. The Council published the Improvement Plan in draft in March 2012 and, in October, adopted the new Corporate Plan for 2012-17, following engagement with councillors.

My audit and assessment work found that the Council's 'Corporate Plan 2012-17' (the Plan) meets the requirements of the Measure. The Council has set out a clear rationale for selecting the areas it is focusing on improving, based on its current performance, stakeholder and partner views and recent consultation activity with citizens. The Council has produced a Welsh language version of the Plan and provided summary versions on its website. On request, the plan is available in alternative formats and other languages.

The Plan includes eight Improvement Objectives relating to: education and skills; feeling safe; housing; health and independence; a thriving economy; a sustainable environment; heritage, culture and the Welsh language; and people are informed, included and listened to by the Council.

The Council has clearly stated what the Improvement Objectives aim to achieve and has included some broad details about the resources available, both revenue and capital, to support their delivery. There is no clear linkage yet to a Medium Term Financial Plan, but the Council will be addressing this issue early in 2013.

The Council has defined appropriate measures of success, set suitable targets and established baseline data for most of its eight Improvement Objectives. In some cases, the measures chosen relate clearly and explicitly to the Improvement Objective. The measures of success for the Improvement Objective that 'people in Conwy live in safe and appropriate housing', for example, is focused on preventing homelessness and increasing the number of new affordable homes built for local people. It is therefore clear what the Council is seeking to improve.

The Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011 (the Act) sets out specific requirements for local authorities in Wales. The Act required councils to develop and publish Equality Objectives and a Strategic Equality Plan by 2 April 2012. There is

significant alignment between the requirement to produce Equality Objectives and the 'Fairness' element that authorities must consider in setting improvement objectives under the Measure. The Council's Corporate Plan includes some information on the Council's equality work, particularly in relation to its Strategic Equality Plan, but it does not specifically set out how the Council has met the requirements of the Act in setting its Improvement Objectives.

Improvement reporting

The Council has discharged its improvement reporting duties under the Measure

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

- is available in English and Welsh to download from the Council's website, and versions in Braille and other languages can be provided upon request;
- assesses the Council's performance in the preceding financial year (2011-12) against 134 indicators and clearly sets out how the Council has sought to discharge its duties under the Measure;
- includes details of performance as measured by all the national statutory performance indicators;
- was published before the statutory deadline of 31 October 2012;
- provides a clear and well-structured focus on the Council's progress in the delivery of its Improvement Objectives; and
- is concise and well written, and, for the majority of the Improvement Objectives set for 2011-12, reports clear outcome-based performance, and links the Improvement Objectives to the tables of statutory and key performance indicators.

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

The Report includes a summary of the Council's 2011-12 performance compared with the previous year, and a brief explanation of the main successes and failures in the delivery of some of the key projects assigned to the Council's Improvement Objectives and other strategic priorities as set out in the 2008-12 Corporate Plan. The progress has been referenced to the citizen outcomes that the Improvement Objectives support, as detailed in the integrated community plan 'One Conwy 2012-25'. The main body of the report contains a full list of measures associated with each of the eight Improvement Objectives and strategic priorities. Where the output or outcome was not achieved, the Report includes a brief explanatory commentary and an outline of what will be done to improve performance. There is also a brief summary of my 2012 Annual Improvement Report.

The Report contains a summary of the Council's partnership working across each of the main service areas. However, the analysis of progress is largely descriptive, such as the section on Highways and Infrastructure Services, and it is not always clear how residents have directly benefited. The Report does not refer to the overspend in 2011-12 on the Home School Transport Budget which has been the subject of a recent joint report by Conwy and Denbighshire's internal audit service.

The final section of the Report gives a clear and comprehensive assessment of progress against all 41 national performance indicators, and a Corporate Performance Summary using a structure covering the eight Improvement Objectives. This section also includes details of the previous year's performance (where available) for each of the indicators, together with a trend analysis, a comparison of 2011-12 performance with the Welsh average, and an all-Wales ranking score. Each indicator and performance measure is rated red, amber or green to indicate the Council's evaluation of the extent to which the intended output or outcome was delivered successfully during the year.

Each Improvement Objective is supported by a series of activities and measures that are managed and delivered by the appropriate service area, and monitored throughout the year as part of the Council's performance management framework. We found that the Performance Report is clearly presented and easy to read for each of the Improvement Objectives. The Report is generally balanced, commenting on areas where progress in delivering actions has been slow or performance has fallen, as well as the more successful aspects. For example, with regard to the indicator for affordable housing, the Council notes that performance is below target and outlines why this has happened.

Corporate performance management arrangements support reliable self-evaluation but some aspects of the Council's evaluation are not robust enough

My Annual Improvement Report (January 2012) concluded that the Council had adopted a framework that established a consistent approach to the management of performance across the organisation, and that elected members provide strong leadership for service delivery and effective scrutiny in challenging policy and performance. This continues to be the case. The scrutiny committees and the twice-yearly service reviews receive performance information of consistently good quality. We found that the Council has a strong central policy team that oversees, co-ordinates and actively manages performance. Staff within services generally acknowledge accountability for their performance and understand how their work relates to delivering the Council's Improvement Objectives and corporate priorities.

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

There are, however, examples of self-evaluation within individual services that are not sufficiently robust. The Care and Social Services Inspectorate Wales (the CSSIW) has concluded that the Director's report¹, demonstrated that there are examples where the Council's performance systems have not identified failings in monitoring systems. When inspected in 2011, for example, the residential short breaks service had not prepared the review of care report for two years. Such a report is a key element in the quality assurance processes for looked-after children. However, in other cases, Children's Services have undertaken audits and responded positively to their findings. Examples of this are to be seen in the quick implementation of recommendations following the fostering inspection regarding placement agreements and the complaints process.

Further proposals for improvement

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

Proposals for improvement

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| P1 | Improve the consistency of the quality of self evaluation within individual services |
| P2 | Include more information in the Performance Report on the equality impact assessments undertaken on the Improvement Objectives. |

Yours sincerely



Huw Vaughan Thomas

Auditor General for Wales

Cc Carl Sargeant, Minister for Local Government and Communities

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