



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

# Annual Improvement Report

## Monmouthshire County Council

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# About the Auditor General for Wales

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

The 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. He also appoints the external auditors of Welsh local government bodies, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. The Auditor General's appointed auditors are responsible for the annual audit of the majority of public money spent in Wales, including the £15 billion of funds that are voted to Wales annually by the Westminster Parliament. Nearly £5.5 billion of this funding is passed by the Welsh Government to local government in the form of general and specific grants. Local government, in turn, raises a further £2.1 billion through council tax and business rates.

As well as carrying out financial audit, the Auditor General's role is to examine how public bodies manage and spend public money, including achieving value in the delivery of public services. The Wales Audit Office aims to make public money count, by promoting improvement, so that people in Wales benefit from accountable, well-managed public services that offer the best possible value for money. It is also committed to identifying and spreading good practice across the Welsh public sector.

Huw Vaughan Thomas, Auditor General for Wales, was supported by Alastair McQuaid, Nick Selwyn and colleagues under the direction of Jane Holownia in conducting the Improvement Assessment and producing this report.

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# Summary report

- 1 Each year, the Auditor General must report on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement and delivering their services. Drawing on the work of the Wales Audit Office and relevant Welsh inspectorates, this report presents a picture of improvement over the last year. The report is in three main sections, which cover the planning, delivery and evaluation of improvement by Monmouthshire County Council (the Council).
- 2 Overall the Auditor General has concluded that, **the Council is changing the way it operates in light of its priorities for improvement and the need to operate sustainably. The Council is achieving improvement in many priority areas but does not always demonstrate benefits for citizens from its activities in some areas.**
- 3 The Council is continuing with its ambition to secure improvement despite the challenging financial climate. It is transforming how it organises itself and delivers services. It needs to ensure that this major programme of change continues to be managed effectively and that it can demonstrate the benefits for citizens.
- 4 We also found that, the Council's performance has improved in many priority areas. We based this conclusion on the following:
  - there has been an improvement in services that support vulnerable people in need of assistance, although the impact of the Council's work is not always clearly demonstrated in relation to older persons' housing;
  - the Council is helping people to develop and it acknowledges that there remains room for improvement; and
  - the Council's performance in helping to create and maintain the area as a safe, prosperous and pleasant place is mostly improving.
- 5 The Auditor General is required to assess whether the Council has complied with its statutory duties under the Local Government (Wales) Measure 2009, including to:
  - publish its plans for improvement;
  - make arrangements to secure continuous improvement;
  - publish an assessment of its performance; and
  - have regard to statutory guidance.
- 6 The Auditor General determined that:
  - The Council has discharged its duties to publish its plans for improvement, and the Council is likely to comply with the statutory requirement to make arrangements to secure continuous improvement during this financial year.
  - The Council has discharged all of its duties in relation to publishing improvement information. However, the Council should ensure that it acts more in accordance with Welsh Government guidance, specifically in demonstrating the impact of its activity and in reporting fully on the things it said it would do.
- 7 Finally, the report sets out our views on the Council's own assessment of its performance and arrangements. We concluded that whilst the Council can point to improvements in many areas, it does not always demonstrate the impact of its work and in some areas does not evaluate how well it has performed.

# Proposals for improvement

- 8 There are no formal recommendations but the following proposals for improvement are made to the Council to support improvement:

Proposals for improvement	
<b>P1</b>	Evaluate the impact of reduced budgets, to identify and deal with risks and report publically on the impact upon frontline services.
<b>P2</b>	The Council should continue to address the proposals and actions for improvement identified in previous external audit and regulation reports.
<b>P3</b>	Improve information on unit costs, activity costs, benchmarks and other financial performance measures to help make more informed financial decisions.
<b>P4</b>	Ensure the commitments of the <i>Welsh Language Scheme</i> are delivered and complied with.
<b>P5</b>	Establish clear success measures for all objectives and support the effective monitoring of performance through regular, clear reporting of outcomes.
<b>P6</b>	Improve self-assessment arrangements and performance reporting by: <ul style="list-style-type: none"> <li>• reporting clearly on whether the actions and targets set for delivering Improvement Objectives have been met;</li> <li>• providing citizens with more comparative performance data to enable them to better judge performance;</li> <li>• reporting progress regularly against all Improvement Objectives to select committees to enable members to scrutinise and challenge performance; and</li> <li>• including a clear self-evaluation in its Performance Report of whether it has met or is progressing satisfactorily towards each Improvement Objective.</li> </ul>

# Detailed report



## Introduction

- 9 This report was prepared by the Wales Audit Office on behalf of the Auditor General. On [page 2](#) you can find a brief explanation of what the Auditor General does.
- 10 Under the Measure, the Auditor General must report each year on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement and delivering their services. Planning for and delivering improvement does not mean that services will get better all of the time and can mean doing the same with less. [Appendix 1](#) provides more information about the Auditor General's powers and duties under the Measure. With help from Welsh inspectorates, Estyn (for education), the Welsh Language Board and the Care and Social Services Inspectorate for Wales (CSSIW), we have brought together a picture of what each council or authority in Wales is trying to achieve and how it is going about it. This report also sets out the progress the Council has made since the Auditor General published his last *Annual Improvement Report*, drawing on the Council's own self-assessment.
- 11 Throughout the report, we set out our view on what the Council needs to do to improve its services. Given the wide range of services provided and the challenges facing the Council it would be unusual if we did not find things that we think can be improved. The Auditor General is able to:
- recommend to Ministers of the Welsh Government that they intervene in some way;
  - conduct a special inspection and publish the report with detailed recommendations;
  - make formal recommendations for improvement – if a formal recommendation is made the Council must respond to that recommendation publicly within 30 days; and
  - make proposals for improvement – if we make proposals to the Council, we would expect it to do something about them, and we will follow up what happens.
- 12 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@wao.gov.uk](mailto:info@wao.gov.uk) or writing to us at 24 Cathedral Road, Cardiff CF11 9LJ.

## The Council is changing the way it operates in light of its priorities for improvement and the need to operate sustainably. The Council is achieving improvement in many priority areas but does not always demonstrate benefits for citizens from its activities in some areas

13 Our work focused on how the Council organises itself to achieve improvements, the main objectives that the Council set for itself, its progress and impact, and how it reports its performance to citizens. We do not undertake a comprehensive annual review of all Council arrangements or services. The conclusions in this report are based on our cumulative and shared knowledge and the findings of the prioritised work undertaken this year. This report sets out the Auditor General's view of the performance of the Council in discharging its statutory duties under the Measure and the specific progress that it has made in delivering against its Improvement Objectives.

14 In addition to having effective arrangements in place to plan for and deliver improvement, it is important that the Council has a good understanding of the extent of progress and improvement it is making. The Council has set out its own assessment of its performance in *How we performed in 2010/11, Improvement Plan – Part 2* (the Performance Plan). We found that the Council is generally good at monitoring its own performance and is revising its measures of success to better demonstrate the impact of its work on citizens and communities in Monmouthshire. A challenge for the Council, in common with other Welsh councils, is to make sure that in focusing on the arrangements for future improvement and ensuring delivery against specified objectives it does not lose sight of the need to maintain 'business as usual'.

15 In August 2011, the Auditor General issued a *Corporate Assessment Update* letter to the Council. The Auditor General noted that the Council is continuing with its ambition to secure improvement for its communities despite the challenging financial climate. It is

transforming how it organises itself and delivers services. It needs to ensure that this major programme of change continues to be effectively managed and demonstrates the intended benefits for citizens. The main findings underpinning the Auditor General's *Corporate Assessment Update* letter were as follows:

- At a senior level there is an appetite for changing and modernising the way the Council organises itself, delivers services and engages with citizens. The breadth and pace of change presents challenges, which need to be carefully managed if intended outcomes are to be achieved.
- The Council has refined its priorities and is sharpening its focus upon delivering outcomes for citizens. Work is progressing to strengthen delivery plans to ensure that services are targeted towards achieving key objectives.
- Increased agile working and greater collaboration are reshaping the workforce and starting to drive cultural change. These initiatives reflect the Council's modernisation agenda. Work is progressing to ensure a fully integrated approach to managing financial, staff and physical resources.
- A well-established approach to medium-term financial planning has enabled the Council to forecast future resource challenges, identify options to reduce spend and achieve balanced budgets. Work continues in understanding the impact of savings decisions upon citizens and strengthening some key management information.
- A continuing commitment and business-



focused approach to working with others is encouraging new ways of delivering services. Arrangements for ensuring good governance of collaboration and mechanisms to evaluate the impact of those arrangements need further development.

- The Council is strengthening how it manages performance and is introducing new systems for judging the impact of its activity although it will take some time for these to become part of routine day-to-day management work. Clearer reporting formats and stronger project management arrangements are being implemented. Information on costs and comparisons with internal and external standards to enable the Council to evaluate outcomes is not yet widely available.

16 The Auditor General concluded that the Council has discharged its duties under the Measure to publish its plans for improvement, and that the Council is likely to comply with the statutory requirement to make arrangements to secure continuous improvement during this financial year.

17 The Council has accepted all of the areas for improvement we identified in our previous reports. It has made good progress against most of them, summarised in [Appendix 5](#). Where actions are ongoing, we will continue to monitor and report on the Council's progress in implementing them.

## The Council has clear Improvement Objectives and continues to refine its arrangements to support their delivery

- 18 The Council has set itself three strategic priorities: school improvement; protection of vulnerable people; and supporting enterprise, job creation and entrepreneurship. In 2011, the Council also set five new population outcomes that express more clearly what it is seeking to improve for citizens and communities in Monmouthshire under these three priority areas, that people:
- live safely and are protected from harm;
  - live healthy and fulfilled lives;
  - benefit from education, training and skills development;
  - benefit from an economy which is prosperous and supports enterprise and sustainable growth; and
  - benefit from an environment that is diverse, vibrant and sustainable.
- 19 In addition, the Council has also reviewed its original nine Improvement Objectives set in 2010-11 and replaced these with six new ones, which reflect its three overall priorities. The full list of Improvement Objectives and the changes made between 2010-11 and 2011-12 are set out in [Appendix 4](#). The new Improvement Objectives focus on its three core priorities of schools, services to vulnerable children and adults, and activities that support the creation of jobs and wealth in the local economy.
- 20 The Council's Improvement Objectives and its annual improvement plan, *Looking to the Future: Corporate Improvement Plan for 2011/14*, published in June 2011 set out a clear rationale for selecting the areas the Council is focusing on improving. These have been selected on the basis of current performance, service user feedback, Welsh Government priorities and the views of strategic partners.
- 21 The Council's plan is available in English to download from the Council's website and a hard copy is available on request. A summary of the plan is also available. Welsh language, large-font and Braille versions are provided upon request. This is in accordance with the Council's *Welsh Language Scheme (2008-2011)*.
- 22 The Council has clearly stated what the Improvement Objectives aim to achieve in relation to the Council's priorities and has identified broad measures of success. The Council's improvement plan sets out how each Improvement Objective will be managed via service improvement plans. The link between the Improvement Objectives and accompanying measures of success, baselines and targets are not always evidenced for all Improvement Objectives. Information contained in *Looking to the Future: Corporate Improvement Plan for 2011/14* is not always robust enough to demonstrate effective delivery for some of the Improvement Objectives. Action is underway to strengthen links between the action plans for delivering the Council's Improvement Objectives and individual service plans.

**The Council has a strong whole-authority focus on financial management and budgetary control with clear lines of accountability, and is aligning resources with areas for improvement**

- 23 An overall underspend of £1.6 million was forecast at the end of September 2011. The position has improved greatly since the reported position of a £2 million overspend at the end of June 2011. Within individual directorates, the Children and Young people Directorate was over budget by £825,000 (1.6 per cent over budget) and the Chief Executive's department by £452,000 (4.3 per cent over budget). These overspend are balanced by a significant predicted underspend of, for example, £849,000 (three per cent under budget) in the Regeneration and Culture Directorate and improved efficiencies in managing corporate costs and levies of £222,000 and improved performance in overdue council tax recovery of £753,000. The Council's budget has been well-managed in recent years with balanced budgets achieved at both directorate and corporate level.
- 24 The Council continues to develop and refine its approach to medium-term financial planning and how to make best use of the money it has. The Council's *Medium-Term Financial Plan* highlights the financial position in both the short and medium-term, and sets out various scenarios that allow the Council to anticipate changing circumstances and to manage its financial risks. The Cabinet and the Strategic Leadership Group have a good understanding of financial matters, which has resulted in a very sound medium-term financial planning process for several years.
- 25 Like all councils in Wales, Monmouthshire needs to reduce its revenue spending and in 2010-11 it needs to make £7 million savings (4.69 per cent of the 2010-11 budget) over the year to ensure the Council achieves a balanced budget. The Council has identified where it is seeking to make savings and these decisions were made in line with the Council's corporate priorities. Individual departments have responsibility to deliver the savings and the Council is promoting new ways of working to reduce spend and improve service quality through transforming how it operates and delivers services.
- 26 Since our *Corporate Assessment Update* letter in August 2011, the Council has undertaken further work to assess its likely revenue resources in the future. In November, the Council updated its *Medium-Term Financial Plan* setting out its financial position for 2012-13 onwards. The plan, which was recently considered by the Cabinet, shows a predicted deficit of £4 million in 2012-13, which will rise to £7.7 million in 2015-16.
- 27 The Council is making good progress with plans to address the challenging financial climate. It has proposed that there will be no council tax increase in 2012-13 and the Cabinet has agreed its priorities for service provision, that is: schools; services to vulnerable children and adults; and activities that support the creation of jobs and wealth in the local economy. The Council acknowledges that to maintain its commitments in these areas, it has to bring real focus to other aspects of its business to reduce cost, increase income or both. The approach being taken is increasingly through application of systems thinking to redesign work processes and eliminate waste.

- 28 The Council has identified the need for significant capital resources to improve infrastructure, develop new services and upgrade existing facilities. The predicted capital requirement from the *Medium-Term Financial Plan* is £273.5 million. This figure includes £80 million for highways improvement and £40 million on property maintenance arising from stock condition surveys, as well as £120 million to improve the education estate. In December 2011, the Council received notification that the Welsh Government had approved a budget of £79.5 million under the *21st Century School* initiative. The cost of the programme is funded equally by the Council and the Welsh Government. Given that in 2010-11, the Council's total capital expenditure was only £26.3 million, it faces significant challenges in match funding the *21st Century Schools* programme but is confident of having match funding in place before the commencement of the programme in 2014.
- 29 The Council's well-established approach to financial planning, and a good track record of spending within available resources, provides a sound foundation for the Council, allied to clear priorities and new ways of delivering services. The Council has a good track record of delivering savings and must maintain this focus going forward. Improving information on unit costs, activity costs, benchmarks and other financial performance measures will help the Council to make informed financial decisions.
- 30 The auditor appointed by the Auditor General recently gave his opinion on the Council's accounts and concluded that the financial statements were generally satisfactory. **Appendix 3** gives more detail.

**The Council encourages community consultation and supports local initiatives but it is not always clear that this engagement results in improved services**

- 31 Effective public engagement invites citizens to get involved in deliberation, dialogue and action on how services are delivered and which services need to be prioritised for improvement. The Wales Audit Office's improvement assessment work in 2010 highlighted public engagement as a significant issue in most local authorities. As a result it has been the subject of our all-Wales study, in which we have reviewed public engagement across local government.
- 32 Our review found that the Council has processes for informing and consulting with the public and demonstrates a strong commitment to engaging with citizens. Engagement information is monitored but not evaluated at a corporate level and more needs to be done to determine the impact and cost of public engagement. The Council has undertaken over 30 engagement activities in the last year and processes are in place to report the results of individual consultations. However, it is difficult to clearly demonstrate the difference that its engagement work is making and the effectiveness of the Council strategy.

**The Council's new arrangements for developing, using and supporting technology have the potential to support continuous improvement but are still developing and maturing, with scope for improvement**

- 33 Effective use of information and communication technology (ICT) is essential for transforming the delivery of public services, improving outcomes for citizens and

delivering efficiency savings. Technology can support different ways of working, delivering services and engaging with citizens, enabling councils to deliver more for less. The way in which technology is delivered and managed has a direct impact on the efficiency, effectiveness and quality of work undertaken across councils and affects almost every council worker. Poor ICT governance can lead to the use of inappropriate systems, system unavailability and frustration throughout an organisation.

- 34 The Council has introduced an overarching policy framework, which sets out its vision for using technology to transform how the Council provides services to its citizens. Plans for delivering this vision are not yet developed.
- 35 In a joint arrangement with Torfaen County Borough Council and Gwent Police, a range of technology services have been brought together into a Shared Resource Centre. The centre is unique within Wales and its development supports the Welsh Government's ICT strategy of encouraging public sector ICT collaboration.

### **The Council has a good record of working in collaboration with partners and stakeholders to plan and deliver services**

- 36 The Council is collaborating with a range of public sector organisations to deliver improvements for citizens in Monmouthshire. For example, major programmes of work such as the *Gwent Frailty Programme*<sup>1</sup> and the South East Wales Regional Collaboration<sup>2</sup> demonstrate a commitment to collaboration that is remodelling how services are provided to many citizens and stakeholders, and represent major programmes of change in how the Council organises its work. The Council is also working with Caerphilly Borough County Council, the City and County of Cardiff, Newport City Council and Vale of Glamorgan Council through Prosiect Gwyrdd<sup>3</sup> to develop sustainable alternatives to landfill.

### **The Council has made limited progress in implementing its Welsh Language Scheme**

- 37 The Welsh Language Board works with public bodies to help them develop their statutory Welsh language schemes which outline the way in which they provide services to the public in Welsh. The primary responsibility for the range and standard of services rests with the authorities who provide them, working in accordance with the statutory framework and guidelines of the Welsh Language Board. Every council is expected to provide the

<sup>1</sup> The *Gwent Frailty Programme* is a partnership between Aneurin Bevan Health Board and Torfaen, Blaenau Gwent, Caerphilly, Monmouthshire and Newport councils and has received funding from the Welsh Government. The programme is creating teams of health and social care professionals to work together to deliver integrated services to vulnerable people.

<sup>2</sup> Four local authority education consortia were established in Wales by the Welsh Government for the purposes of administering the introduction of performance management for teachers, Headteachers and deputy Headteachers. The South East Wales Consortium consists of Blaenau Gwent, Caerphilly, Monmouthshire, Newport and Torfaen local education authorities. The consortium is also taking the lead in developing collaborative approaches to improving school performance and supporting professional development of education staff.

<sup>3</sup> Prosiect Gwyrdd is a partnership between Caerphilly Borough County Council, The County Council of the City and County of Cardiff, Monmouthshire County Council, Newport Council and Vale of Glamorgan Council. The combined municipal waste of the five authorities makes up 40 per cent of the total municipal waste of Wales.

Welsh Language Board with an annual monitoring report that explains how its scheme has been implemented. This report allows the board to offer advice on how a council might improve its local arrangements. The board also undertakes its own reviews to assess the provision of Welsh language services and to promote improvement.

- 38 The Welsh Language Board has found that the Council has not yet achieved or made sufficient progress with many of the objectives noted in its *Welsh Language Scheme*, approved in March 2008. For the second consecutive year, the board has found that electoral documentation and the Council's website do not comply with the scheme. The Council also continues to lack sufficient credible data to allow it to plan the delivery of Welsh-medium services, thereby placing it at further risk of being unable to comply with its scheme. Some measures are being taken to address the situation, such as the development of a Linguistic Skills Strategy, and a revised *Welsh Language Scheme Action Plan*. Following a recent meeting with the board, the Council is developing proposals to remedy the weaknesses identified by the board.

## The Council's performance has improved in many priority areas

39 This part of the report sets out how well the Council is improving its services. It reflects the views of the Care and Social Services Inspectorate in Wales in relation to adult and children's services and Estyn in relation to education, and draws upon our own reviews of the Council's performance against some of the specific Improvement Objectives the Council set itself to achieve during 2010-11.

**There has been an improvement in many services that support vulnerable people in need of assistance, although the impact of the Council's work is not always clearly demonstrated in relation to older persons' housing**

**The Care and Social Services Inspectorate Wales concludes that the Council has made good progress in developing its social care services and further improvements are planned**

40 Directors of social services are required to produce an annual self-assessment report on how well social care services are being delivered. The director's self-assessment in 2011 identified that improving and modernising services continues to move at a considerable pace across both adult and children's services in Monmouthshire. There have been a number of substantial changes in how services are provided to vulnerable people, for example through the roll-out of the *Gwent Frailty Programme*, and a significant restructuring of senior management within Monmouthshire, which are in the process of becoming embedded. The Care and Social Services Inspectorate Wales acknowledges that social services have made progress in a number of areas, but there is still some way to go.

41 The Care and Social Services Inspectorate Wales report that the Council's performance in relation to safeguarding children continues to demonstrate ongoing improvement and a number of linked performance indicators show that improvements in performance have been maintained and is now good in many core areas. The exception to this improving position is the fostering service, where the Council has not delivered improvement. There have been some improvements in the fostering service but this has been slower than anticipated. Whilst there are positive signs of development, an increase in the pace of change will be crucial in the next year.

42 The Council has centralised its referral and assessment functions, which is resulting in greater consistency around services and better performance when people ask for help. The number of referrals in children's services has increased significantly between 2008-09 and 2010-11, as has the level of re-referrals. The Council will need to monitor this increase in referrals closely to ensure that decision making around vulnerable children and young people is sound.

43 During 2010-11, the Council has made progress in the necessary modernisation of adult social services, and putting some significant collaborative and partnership arrangements in place. The Council intends using these new arrangements to develop service models that increase control, choice and independence for those people who use its services. The creation of a single point of access for health and social care referrals has helped reduce duplication of effort for service users and created more capacity within services. Following an internal review of services, the Council has replaced traditional respite care services for people with a

learning disability with new more flexible options such as adult placements.

- 44 Amongst the changes within the Council, the Care and Social Services Inspectorate Wales reports that the in-house domiciliary care provision has been refocused and external domiciliary care services retendered in order to improve quality and cost effectiveness. It is important that such significant change and the pace of transformation are managed effectively as they have an impact on recipients of services. The Council will need to continue to assure itself that it has the appropriate systems in place to manage and support staff sensitively and those people who use services and are affected by change.
- 45 In the past year, the Council has given priority to improving its recruitment and retention of staff, within Children's services in particular. Although it is early days, the indications so far are positive. The Council also recognises the need to address succession planning more robustly, particularly in relation to an ageing home care staff.
- 46 The Council has lost some grants with a consequent impact on posts within the Commissioning department. The department is working hard to constructively improve services, under the banner of doing better with less. The Care and Social Services Inspectorate Wales is keen to see progress on this improvement journey and is planning to undertake a review around commissioning, where the impact of the recent changes can be better considered.

**The Council is addressing weaknesses in its administration of housing and council tax benefits through the creation of a new integrated service with Torfaen County Borough Council**

- 47 Housing and council tax benefit teams can contribute to positive outcomes for citizens in a number of areas including reducing child poverty, homelessness and worklessness, as well as providing support for people with disabilities. Effective benefit services enable fairer access to decent homes, which in turn helps address health issues. Poorly performing benefit services can put barriers in the way of people looking to return to paid employment, prevent financial help getting to those who need it, and cause additional hardship.
- 48 In 2009, 12 per cent of households within Monmouthshire were in receipt of housing benefit; a lower proportion than the Welsh average of 17.5 per cent and the lowest in Wales. For council tax benefit, the percentage of households was just under 17 per cent, again lower than the Welsh average of 23.9 per cent and one of the lowest compared with other councils in Wales. Monmouthshire's 'benefit age' population (ie, those that could become claimants) in May 2011 was one of the lowest in Wales.
- 49 The caseload of people claiming benefit in Monmouthshire, at May 2011 (latest data available), has increased since April 2009, by just over nine per cent. This growth in the number of people claiming over the past two years is greater than the average increase in Wales of seven per cent, over the same period. The number of recipients of housing



benefit has increased since April 2009 by just over 12 per cent and the number of recipients of council tax benefit has increased by nine per cent. Both of these increases are greater than the Wales average increases of eight per cent and five per cent respectively.

50 Overall during 2010-11, the average time taken to process new claims as published by the Department of Works and Pensions is 48 days for Wales but the Council's own figure is 52 days. This was the worst performance across the 22 councils in Wales during 2010-11 and significantly higher than the UK average of 23 days, for the same period. Whilst the most recent performance data shows that the Council's processing time has improved to 32 days in the first quarter of 2011-12 (April to June), the Council still needs to significantly improve its performance in processing new benefit claims.

51 Our report on council tax and housing benefit overpayments of November 2010 concluded that the Council had overpaid about the same proportion of benefit during the last two years. The overall level of overpayments classified as Council error is well-managed and during 2009-10 no subsidy was lost by the Council.

52 Although the Council's claims administration arrangements are not currently strong enough to always ensure that people receive their benefits in a timely manner, the Council is working with the Department of Works and Pensions to address this. The Council's security arrangements should ensure that the right benefit is paid to the right people but there is some risk of service failure. The Council is continuing to improve access to the benefit service in some areas but poor

management information means there is uncertainty about how well requests for reconsiderations and appeals are handled.

53 The Council is collaborating with Torfaen County Borough Council on the administration of housing and council tax benefits. In July 2011, the Wales Audit Office concluded a review of the development of this shared service to jointly provide the Housing Benefit and Council Tax Benefit service for both councils. For 2011-12, a 'Service Partnership Agreement' is in place whereby Torfaen provides an interim management function for the Council (at a cost to Monmouthshire County Council of some £94,000 for Torfaen County Borough Council taking on management responsibility for these services) prior to the development of the joint service.

**Progress has been made in establishing new services to promote greater independence of vulnerable people through the Gwent Frailty Programme although it is too soon to assess the impact**

54 In last year's *Annual Improvement Report*, we noted the Council's decision to prioritise work on supporting older people to live independent lives whenever possible in their own homes. We considered this an appropriate Improvement Objective in that it reflected that Monmouthshire's population includes a significant number of older people, which is likely to grow in the future.

- 55 The Council has delivered actions to achieve its Improvement Objective which is supported by the Council's involvement in the *Gwent Frailty Programme*. The programme provides a single point of access for health and social care referrals and a rapid response service to deal with urgent calls within two hours to avoid unnecessary hospital admissions. Two service managers are now in place covering the north and south of the county who have responsibility for providing an integrated health and social care service and are responsible for the delivery of an integrated response to ensure more people receive services at home. These services include community nurses, long-term conditions nurses and other staff. This integrated allocation and single points of access have reduced duplication for service users as they only have to apply once to receive both services not separately, as in the past, to health and social care. This has also created capacity in teams to ensure the right person responds at the right time.
- 56 The Council's performance management systems to evidence the impact of the programme are still at an embryonic stage. The partners are bringing together various reports from different management systems to determine what the information means and establish what it is they need to measure. Until a more robust and reliable management information system is in place, the Council has adopted a balanced range of performance data and, instead of using the National Strategic Indicator<sup>4</sup> data, it has opted for more localised measures. These measures include customer satisfaction data and other quantitative indicators, such as 'the percentage of reablement users who agree staff encourage me to do things for myself and support my independence and choice' and the 'percentage of people who were independent at the end of reablement'.
- 57 The Council and its partners had intended that the programme would help to reduce instances where older people are delayed from being discharged from hospital. The number of delayed transfers of care for social care reasons for those aged over 75 increased from six in 2009-10 to 40 in 2010-11. The 2009-10 performance appears to be exceptional. Performance in 2010-11 is amongst the average for Welsh councils and is a realistic benchmark against which to measure the impact of the frailty programme in future years.
- 58 The Council recognises that it has some way to go as part of the *Gwent Frailty Programme* to develop its evidence base and the measures of success which reflect real outcomes for service users. Nevertheless, we understand that the Council is receiving referrals to the programme already. Given the risks and challenges and the importance that the *Gwent Frailty Programme* has in modernising and transforming health and social services for frail people in Gwent, we will undertake an initial review of the arrangements for implementation of the programme. The conclusions will be reported in our next *Corporate Assessment*.

<sup>4</sup> The National Strategic Indicators are collected by each local authority and reported in their Performance Reports. The National Strategic Indicators focus on key strategic priorities. Local authorities are legally obliged to collect and publish data for the National Strategic Indicators, under the Local Government (Best Value Performance Indicators) (Wales) Order 2008.

**The Council delivered a number of older persons' housing projects in 2010-11 but it is unclear whether these have improved independence and performance has declined on most measures**

59 The Improvement Objective aims to improve both the housing quality of older people and to better meet their housing needs. For 2010-11, the Council set three targets:

- explore and implement a range of new initiatives aimed at improving the housing stock within the county;
- improve the quality of work delivered under Disabled Facilities Grant schemes; and
- set up and pilot a possible alternative approach to providing housing support for older people.

60 In December 2010, the Council adopted an *Older Persons Accommodation & Support Strategy*. The strategy is focused on enabling and increasing independence; improving health and well-being; making the homes of older people safer; developing citizen-centred services that improve the citizen's experience; and improving choice and quality of services. The Council has adopted an action plan with a series of targets, which it is delivering in partnership with a range of key stakeholders such as local housing associations.

61 Similarly, the Council has delivered a number of initiatives to improve both housing provision and support given to maintain independence of elderly and vulnerable people. One example is the provision of floating support<sup>5</sup> to sheltered housing tenants

by Monmouthshire Housing Association and the *Supported Living* scheme at Lavender Gardens in Abergavenny. However, as we reported last year, the Council has limited performance measures to judge success and it is not clear what the impact of its activity is having on improving independence and delivering outcomes for citizens.

62 The Council has few appropriate measures to judge its success in improving both the quality of housing for older people and how effectively it is meeting their housing needs. The measures are focused on reporting how quickly and how many Disabled Facility Grants have been delivered by the Council and recipients' satisfaction with the process and outcome. The time taken by the Council to deliver a Disabled Facility Grant rose from 211 days in 2008-09 to 339 days in 2010-11 and remains above the Welsh average performance. There has also been a reduction in the number of grants delivered, a fall from 221 in 2009-10 to 155 in 2010-11, highlighting the poor performance of the Council. The Council has, however, recorded an increase in satisfaction amongst those who have received disabled facility grants, with an increase from 88 per cent to 93 per cent. The Council does not have any other measures of performance which means it is not able to measure and demonstrate how it is meeting the housing needs of older people.

<sup>5</sup> Floating Support officers support and advice to people who need assistance to gain skills to live independently.

**Progress has been made in improving the range and quality of services for vulnerable people and their carers**

- 63 Monmouthshire is seeing continuing increases in the number of older and vulnerable people living in the county and the Council recognises it is important that it provides the right services to meet the needs of vulnerable people and those of their carers. The Council has revised the measures of success and progress to focus on the impact of its work in creating more carers and developing a volunteer befriending service. This development is positive as it allows citizens to ascertain whether vulnerable people are being supported sufficiently to maintain their independence.
- 64 For 2010-11, the Council recorded an improved performance on a number of the measures that it had set to judge how well it is providing services to vulnerable people. For example, improvements were shown in respect of the number of older people receiving community based social care, the rate of older people receiving residential or nursing care and the number of new carers who received a service. Comparatively performance is mixed, although on key measures – such as the proportion of older service users living independently and the number placed into nursing and residential care – the Council records very good comparative performance.

- 65 For some important indicators - the percentage of regular service users who tell the Council that the services they get meet their needs, satisfaction rates fell marginally between 2009-10 and 2010-11. Likewise, the Council's progress in delivering the projects set in 2010-11 is described in broad terms but it is not always clear if all the things the Council said it would do have been achieved.

**The Council is helping people to develop and it acknowledges that there remains room for improvement**

- 66 Estyn, Her Majesty's Inspectorate of Education and Training in Wales, inspects how well councils are helping children and young people develop their skills. Estyn has a regular programme of inspections of pre-school services such as nurseries, schools, colleges and youth services. We work with Estyn to assess how well the Council supports all these services to help children and young people develop.
- 67 When a range of contextual information is taken into account, the performance of learners in Monmouthshire is good in Key Stage 1. However, in Key Stages<sup>6</sup> 2 and 3, performance is below average with too many schools in the bottom 25 per cent. In Key Stage 4, performance is also below average overall and no school is in the top 25 per cent on four of the five measures.

<sup>6</sup> A Key Stage is a stage of the state education system in setting the educational knowledge expected of students. The precise definition of each of the main four Key Stages is age-related, incorporating all pupils of a particular age at the beginning of each academic year.

68 Monmouthshire's performance against the Welsh Government's benchmarks for performance based on free-school-meal entitlement has not improved over the last four years. Between 2007 and 2010, Monmouthshire exceeded one of the three Welsh Government measures each year, but did not meet the other two. Benchmark information for 2011 data is not yet available.

69 Attendance in primary and secondary schools is good and has been over the last three years. The number of permanent exclusions has reduced to zero for the last two years. Fixed-term exclusions have also reduced but these do not compare as well as could be expected with other councils across Wales.

**The Council is making progress on its School Effectiveness Framework and is improving upon good performance in many areas. The socio-economic background of Monmouthshire suggests that there is still room for significant improvement, particularly at Key Stage 4**

70 The Council's Improvement Objective for 2010-11 was to introduce the *School Effectiveness Framework* and reform the way it provides education by raising standards of education, improving key skills in literacy and numeracy, and addressing the impact of poverty on educational performance. The Council's Improvement Plan stated four actions to support the Improvement Objective. These were to:

- engage regional education services to work with, to broaden the specialist support provision to schools;

- set up a network of System Leaders and Professional Learning Communities to share best practice across schools and to build the capacity to improve;
- complete the roll-out of the Read/Write Inc. Literacy programme across the Council's schools and achieve the model authority status for exemplar practice; and
- work with schools, Coleg Gwent and Wales Career Service to support young people to pursue courses of their choice.

71 The Council's self-assessment of its own performance records that the Council has progressed all of these actions although collaboration with other councils to reform education services has progressed more slowly than the Council had anticipated.

72 One focus of the Improvement Objective was to reduce the percentage of 16 year olds who do not continue in full-time education, training or employment. The Council has successfully reduced its 2009-10 figure of 5.0 per cent to 3.9 per cent which is well below the all-Wales comparison of 5.4 per cent. Last year, we referred to the need to broaden the performance measures to include things that would reduce the impact of poverty on educational attainment and improve literacy and numeracy skills. The Council is not currently measuring the impact of poverty on educational performance.

**The Flying Start provision in Over Monnow has been successfully developed and is having a positive impact on delivering early years' education and supporting children and families**

- 73 The Council's Improvement Objective for 2010-11 was to develop the *Flying Start* provision<sup>7</sup> in Over Monnow and north Abergavenny so that the same level of service is offered in both communities. The Council's Improvement Plan identified two actions to support the Improvement Objective. These were to:
- increase the number and range of facilities provided through the *Flying Start* programme in Over Monnow; and
  - increase the number of users attending *Flying Start* sessions in Over Monnow.
- 74 A description is provided by the Council in its Performance Report of the range of services now available in Over Monnow. The number of parents accessing parenting programmes has increased rising from 12 in 2009-10 to 38 in 2010-11. By focusing the provision on one site, the Council has improved the range of facilities and the ease of access to the facilities.
- 75 The Council reports significant progress in some of the measures used to demonstrate achievement such as the number of children assessed at age 2 and 3 under *Flying Start* (an increase of 144 children on the 2009-10 figure) and number of parents accessing parenting programmes (26 more than the 2010-11 target). This level of take-up and the variable improvement in other measures demonstrate good progress overall in achieving this Improvement Objective.
- 76 Measures are included in the Council's Performance Report that help to illustrate the impact of the *Flying Start* provision such as average speech and languages scores for children and improvement in parents' ability to support their child. These are good measures and the text could be improved by better reflecting the difference to children and parents that the *Flying Start* programmes have made to better convey the success of this provision. The Council's Performance Report reflects the Council's priorities for improvement and links to the Council's Community Strategy, Children and Young People's Plan and the priorities in the draft Joint Plan 2011-14 (*Children and Young People's Plan*, Community Safety Plan, and *Health Social Care and Well Being Strategy*).

<sup>7</sup> Flying Start is targeted at 0-3 year olds in the most disadvantaged communities in Wales. It aims to create positive outcomes in the medium and long term.

## The Council's performance in delivering improvement in helping to create and maintain the area as a safe, prosperous and pleasant place is mostly improving

### Reported incidents of anti-social behaviour and recorded crime has fallen in Monmouthshire

77 The Council's Improvement Objective for 2010-11 was to reduce the impact of alcohol-related violence, crime and anti-social behaviour across all communities in Monmouthshire. The Council's Improvement Plan stated three measures of performance to support the Improvement Objective. These are that:

- awareness is actively raised among retailers and action is taken in relation to instances of underage sales of alcohol and other products subject to age restriction at point of sale;
- citizens will have better access to licensed taxis with consequent reduction in potential for instances of harm; and
- training on safeguarding children will have been improved to ensure that the needs of the 0-3 age group are fully addressed which will improve child protection prevention work in the long term.

78 The Council's self-assessment of its performance records good progress in key measures such as reductions in crime and anti-social behaviour across the county. For example, the number of reported incidents of anti-social behaviour has fallen from 6,633 to 5,102 between 2008-09 and 2010-11. Likewise, the total number of crimes

committed in Monmouthshire fell in the same period from 5,430 to 4,896. However, we were unable to establish the extent to which the Council itself contributed towards this positive improvement as it has not effectively measured its progress in this area.

### The Council is collaborating well with partners to implement improved waste and recycling services through Prosiect Gwyrdd

79 The Council has made good progress and has met waste and recycling targets including achieving the 40 per cent recycling target set by the Welsh Government for 2009-10. The Council continued this good performance by recycling 48.3 per cent of municipal waste in 2010-11, against the national recycling rate of 43.6 per cent. This achievement means that the Council is ranked fifth out of the 22 councils across Wales, an improvement since 2009-10 when the Council ranked seventh. This is an encouraging trend of recycling performance for the Council, which is established as a high recycling county.

80 The Council is working in collaboration with other local authorities and the private sector for the procurement of waste treatment infrastructure. The Council is working in collaboration within Prosiect Gwyrdd with the Vale of Glamorgan, Cardiff, Newport and Caerphilly councils with the aim to provide long-term plans for the treatment of residual wastes that cannot be recycled.

81 The Council makes good use of performance information for national performance indicators, in benchmarking comparisons and makes regular reports that use performance information about recycling and waste

diversion from landfill. The Improvement Objective promotes recycling, composting and waste reuse but its focus is narrow and ignores the important area of waste prevention. Consequently, there is less focus on reporting progress in reducing the level of waste, even though the Council's performance is improving.

**Prioritisation of economic development activity has been supported by innovative approaches to working with businesses which show early promise**

82 In last year's *Annual Improvement Report* we commented on the importance of the Council focusing activity on increasing employment and creating a diverse, robust and prosperous local economy in the current economic climate. In particular, we noted that the Council had set itself establishing four major priorities of improvement. These were:

- a fundamentally new approach to promotion of the economy and entrepreneurship in Monmouthshire;
- working with others to develop a strategy for employment generation within Monmouthshire;
- implementing seven rural development programmes each running for three years which are aimed at developing and improving the economic, business and community environment within Monmouthshire; and
- implementing a *Community and Economic Development Scheme* to improve community facilities.

83 We acknowledge that the intended benefits of these new initiatives may not be realised quickly. The Council's Performance Report provides information on the number of economically active people, the number claiming Job Seekers Allowance, the unemployment rate and information on average earnings. The overall picture shows that within Wales, Monmouthshire is performing better in this respect than other areas.

84 In terms of progress in delivering the areas for improvement it is clear that significant progress has been made in some areas, for example through the creation of a community interest company<sup>8</sup> and the *Back 2 Business week*<sup>9</sup>. The Council has embarked on a series of joint initiatives with the commercial sector and is positively transforming its traditional approach to economic development through its joint working with Venture Wales and the early signs of this work are promising. The Council has engaged Venture Wales – a business support organisation which provides assistance and advice to over 1,000 different companies in Wales every year – to manage and set its economic development strategy in the future. Services being provided by Venture Wales include start-up programmes and consultancy schemes aimed at improving performance of businesses and helping them to create new jobs for local people. The Council's self-assessment of its own performance is silent on a number of the other actions that it set itself in its action plan for 2010-11. Consequently, the Council is not clearly stating whether it has delivered what it said it would in 2010-11.

<sup>8</sup> A community interest company was introduced in the UK in 2005 for social enterprises that want to use their profits and assets for the public good. The Council created a community interest company in 2011 called MC2.

<sup>9</sup> *Back 2 Business week* was an event hosted by the Council in June 2011 aimed at boosting local business and entrepreneurship.



**It is unclear if the Council is effective at reducing carbon emissions because of a mixed picture of performance and the lack of appropriate outcome measures to judge success**

- 85 In 2010-11, the Council proposed to deliver four major programmes of work under its Improvement Objective to promote the reduction of carbon emissions from Council buildings and work with others to reduce emission in the wider community. Each of these programmes had a series of measures of progress set which would allow the Council to report progress in its Performance Report.
- 86 Our review of progress found that whilst the Council can demonstrate and describe some of the work it has undertaken in 2010-11, the impact of this activity is not evaluated and the measures used to judge whether anyone is better off simply look at the Council's reduction in carbon usage not the wider community. The Council's Performance Report could be improved if it directly reflected the actions that it set in the previous year to deliver improvement and provided a narrative showing how well it has done in delivering these commitments. For example, two of the four areas for improvement set in 2010-11 are not reported against: work with Envirowise on reducing waste arising from a leisure centre, library, one-stop shop and Coed Glas; and initiate and deliver a housing *Community Energy Saving Programme*. The Council's Performance Report does not comment on these programmes and it is not clear if these have been delivered.
- 87 The Council set two performance measures to judge success in reducing carbon emissions and reported a mixed picture of improvement. The tonnes of CO<sub>2</sub> emitted increased by 9.2 per cent between 2008-09 and 2010-11 rising from 9,373 to 10,330 tonnes. The percentage reduction in carbon emissions from non-domestic Council buildings recorded a positive performance of 8.04 per cent rising from 1.69 per cent in 2008-09.

## Overall, the Council has a good approach to evaluating services and is strengthening the way it reports the impact of its activities on citizens and communities to address weaknesses in how it measures some performance

### The Council's assessment of its own performance is generally well-presented and easy to read

- 88 The Council has reviewed its performance in 2010-11 in a 50-page document called *How we performed in 2010/11, Improvement Plan – Part 2* (the Performance Report). The Performance Report can be provided in Welsh on request as well as Braille, large print and audio. It is available to download from the Council's website and there is also a bilingual summary available. The full and summary Performance Report were published by the end of October 2011 on the Council's website and printed versions have been distributed to public offices throughout the county. The Council has also used social media to promote the Performance Report such as Twitter. Both the full and summary Performance Report include a section for citizens who want more information or wish to get involved in the future.
- 89 It is reasonable, particularly in the current climate, to expect councils to give an account of their financial performance in their *Annual Improvement Report*, reporting how much they spend in service areas, whether they are achieving planned savings and including cost comparisons. Setting out the impact in some areas of increasing demand pressures combined with reducing external funding would also help to manage public expectations. The Council includes a 'What we spent in 2010/11' section in its Performance Report giving a brief overview of financial performance, explaining the need for medium-term financial planning and the Council's approach to it. The report refers to the Council's policy of making changes to live within its means whilst avoiding council tax increases.
- 90 The Council has also produced a summary of its own Performance Report. The summary is clearly set out and presented in a way that makes it easy for people to read and digest. It is clear what the focus of improvement is; how this relates to existing priorities; and the information on progress provides a brief overview of performance. However, not all of the Improvement Objectives set in 2010-11 are included within the summary. For example, 'we will explore housing quality to meet the needs of older people' is not included.
- 91 Positively, many of the issues we highlighted in last year's *Annual Improvement Report* have been addressed by the Council. For instance, the Council has included in its Performance Report a more rounded view of its performance, such as the inclusion of citizens' views and budget information on specific programmes of work.
- 92 Overall, the Council's Performance Report contains a useful self-assessment and commentary on the performance of the Council and fulfils the Council's responsibilities to discharge its statutory duties for reporting on its own performance. The Council's Performance Report includes evidence of performance as measured by national indicators and completion of intended actions; comparison against Welsh average and quartiles for national indicators; and a description of progress and achievement against the Improvement Objectives. However, the lack of an overall evaluative statement against each of the Improvement Objectives weakens the overall effectiveness of the Performance Report and some evidence sources such as the conclusions and findings of the Care and Social Services Inspectorate Wales and the Welsh Language Board, are not always used.

93 This is the first time that Welsh councils have been required to report their performance in relation to Improvement Objectives, and some opportunities for learning and improvement in how they do this are to be expected. Overall, the Auditor General determined that the Council has discharged all of its duties in relation to publishing improvement information. However, the Council should ensure that it acts more in accordance with Welsh Government guidance, specifically in demonstrating the impact of its activity and in reporting fully on the things it said it would do.

**The Council uses good evidence in its self-assessment to judge how well it is performing and further work on developing outcomes will enable it to demonstrate its impact more clearly**

94 The Council's self-assessment of its performance makes use of a wider range of evidence than has been the case in previous years' reports. For example, the section referring to economic development included more detail on the context in which the Council operates and the measures on which it intends to have a positive impact. The inclusion of additional and more relevant indicators should help citizens to review in the longer term whether the Council is having the impact it intends.

95 The Council's Performance Report clearly outlines to the reader what the Council is seeking to improve and why these are important to the citizens of Monmouthshire. The full suite of National Strategic Indicators is included which shows performance over the period 2008-09 to 2010-11 and which quartile the Council sits in. It does not, however, rank the Council's performance amongst the 22 Welsh councils.

96 Every council needs to have good information and to use it well if it is to provide good services and make them even better. The Council has well-established systems for reporting information and its Performance Report captures performance against the National Strategic Indicators for each of the Council's three service directorates.

97 The Council's Performance Report briefly reports on whether it considers that its performance between 2009-10 and 2010-11 has improved, stayed the same or declined. The information shows that:

- safeguarding vulnerable people had 59 per cent of indicators improving, 35 per cent declining, and six per cent unchanged;
- economy and enterprise had 80 per cent of indicators improving and 20 per cent declining; and
- education had 67 per cent of indicators improving and 33 per cent declining.

98 The Council also summarises its three-year performance on individual National Strategic Indicators, how it compares to the Welsh average and which quartile it ranks amongst the 22 Welsh councils. Whilst this information provides a good summary of performance it could be improved with better data analysis and presentation of the information in ways that enable citizens to better judge services. For example, the Council could more clearly state which elements of its services are improving and which areas are declining and making clear what this means for citizens in the future.

99 With regard to the individual Improvement Objectives, the Council's Performance Report provides trend data where available although not in all cases. For example, the information on the *Gwent Frailty Programme* reflects the baseline performance in 2010-11 and targets for 2011-12 but without comparison with last year's targets. This omission limits the reader's understanding of performance achieved compared to that expected at the beginning of the year and might usefully be included.

100 The Performance Report also includes some comparative information in relation to specific Improvement Objectives, although this is limited, primarily because the evidence used to support improvement are, on the whole, local measures and there is limited comparison made with other councils or public bodies. It also provides a narrative in relation to each of the Improvement Objectives and some contextual information on budget spend and demand. This is not, however, presented uniformly for each Improvement Objective. The Council's Performance Report does not rely exclusively upon local and national performance indicators but also draws on data from a range of other sources, for example the findings of scrutiny inquiries conducted by members and population data.

101 The Council's Performance Report uses a consistent framework to report and judge what improvement has taken place. Positively it has adopted an Outcome Based Accountability framework and reports all performance measures under 'How Much/How Well/Is anyone better off'. The Performance Report also makes clear why individual objectives have been chosen,

identifies clearly the partners working with the Council on delivering the Improvement Objective, contextual information such as budget spend and comments a brief narrative on what citizens and partners have told the Council.

102 The Council recognises that its current performance indicators do not consistently enable it to measure the impact it is having for citizens, and has made some progress in developing new measures and supporting systems since setting its first Improvement Objectives in autumn 2010. Whilst the Outcome Based Accountability framework allows the Council to more effectively measure the impact of its work in delivering outcomes for citizens, the measures are not always comprehensive and in a number of cases do not present a rounded picture of improvement. The Council continues to refine its performance information and further work on refining outcomes measures will enable it to better judge how well it is performing.

**It is not always clear if the Council delivered all the things it said it would do**

103 The Council's Performance Report provides a summary of the progress it considers it has made in delivering a range of activities against its Improvement Objectives. However, the narrative on progress does not always clearly set out whether the Council has actually delivered the actions it intended, in support of some of the Improvement Objectives. For example, in the section on tackling carbon reduction and housing for older persons, there is no description of progress against the actions the Council intended to undertake in support of its objectives. Instead, the Council's

Performance Report focuses only on some of the actions and some measures of performance. Without the information on what the Council has actually done, it is not possible to gauge whether the Council delivered what it said it would do and whether the improvement in performance is as a result of these activities.

**Scrutiny work by select committees is improving and the work on Members Inquiries is impressive but the Council does not always use its select committees to effectively challenge performance**

- 104 Scrutiny Committees have an important role to play in managing performance and supporting improvement activity. They act as community advocates, bringing into the Council ideas and needs of the community to help the Council develop policy. They also scrutinise the decisions made by the Cabinet, the performance of the Council and the achievement of its objectives. Within the Measure, the role of scrutiny committees is clearly identified as a key component in a council's improvement processes.
- 105 Currently the Strategic Leadership Group is working with select committees to develop their work programmes so that they focus upon the important issues for the Council and the public. Additional officer support has been provided to support select committee chairs and to strengthen management arrangements. The role of select committees in overseeing new collaborative, cross-boundary and pan-Wales services needs to be strengthened to ensure the Council remains accountable to and acts on behalf of its citizens. The governance arrangements on many of these programmes remain

underdeveloped or subject to refinement and change with local scrutiny and accountability arrangements not always finalised and/or operating effectively.

- 106 One major areas of strength is the work of Select Committee inquiries. These are individual study reviews conducted by members which make recommendations to improve the services the Council provides. Such inquiries involve distinct stages of scoping the work; gathering evidence; and preparing a report and recommendations.
- 107 In the last year, there are a number of positive examples of the impact of these reviews resulting in improved services – for example the review of Budden Crescent learning disability services. Other reviews have looked at other important areas such as Monmouthshire's ageing population; alcohol abuse; affordable housing; education: Key Stage 4; and early years' development.
- 108 The Council does not consistently report progress in delivering Improvement Objectives and broader performance of services to its scrutiny committees, although some activity has been presented to the Audit Committee for review. We reviewed performance information that was considered by members and found in social care, that regular reporting of performance against the Improvement Objectives has taken place. In other service areas this reporting is not consistently undertaken. The development of Outcome Based Accountability scorecards should strengthen the ability of Members to independently challenge and hold services to account in the future.

**The Council has made good progress in delivering its outcome agreements and systems to manage and report performance are sound**

- 109 The development of outcome agreements between the Welsh Government and individual councils set out how each will work towards improving outcomes for the local people, within the context of the Government's national priorities. Outcome agreements do not replace underlying service planning and performance management arrangements already in place. Rather, they provide an outcome based framework and focus, for service planning, resource planning and performance management.
- 110 As part of this assessment we reviewed the Council's *Outcome Agreement* submission to the Welsh Government. Our review found that the Council has made good progress in delivering its outcome agreements. We reached this conclusion because the outcome agreements mostly reflect the Council's areas for improvement. Our review found a strong correlation between the outcome agreements and the Council's Improvement Objectives and priorities for improvement. Of the 10 outcome agreements selected, nine directly relate to the Council's Improvement Objectives for 2011-12 and only one has no direct link.
- .112 Progress has been made in delivering most of the outcome agreements' targets although our assessment of performance differs from that of the Council. Our assessment highlights that there has been good progress in delivering most of the agreements and only two measures have not been achieved. We concluded three of the 10 measures were successful in full; five were partially successful; and two were not achieved. This assessment is different from that of the Council's own self-evaluation which showed that it scored six of the outcome agreements were successful and four partially successful.
- 113 Our assessment of the Council's evidence that underpins its outcome agreements highlights that there has been good progress in delivering most of the agreements. The evidence that is used to underpin the assessment is generally sound although there remain areas for improvement in terms of measures to judge whether anyone is better off. Under some programmes, some actions for improvements were not delivered or their impact upon the outcome sought not demonstrated.
- 114 We also audited the Council's systems for managing and reporting its key performance indicators in 2010. We found that all the National Strategic Indicators which every council is required to report performance against, were substantially accurate.

# Appendices



## 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 the Auditor General to discharge his duties under section 24 of the Measure. The report also discharges 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 informed by 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. This report also summarises the Auditor General's conclusions on the Council's self-assessment of its performance.

The Auditor General may also in some circumstances carry out special inspections (under section 21), in respect of which he will provide a report to the relevant authorities and Ministers, and which he may publish (under section 22). The Auditor General will summarise audit and assessment reports in this published Annual Improvement Report (under section 24). This will also summarise any reports of special inspections.

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



## Appendix 2

# Useful information about Monmouthshire and Monmouthshire County Council

### The Authority

Monmouthshire County Council spends approximately £149 million per year (2010-11). This equates to about £1,695 per resident. In the same year, the Council also spent £28,647 million on capital items.

The average band D council tax in 2010-11 for Monmouthshire was £975.4 per year. This has increased by 2.9 per cent to £1,003.69 per year for 2011-12. Thirty per cent of the dwellings within Monmouthshire are in council tax bands A to D.

The Council is made up of 43 elected members who represent the community and make decisions about priorities and use of resources. The political make-up of the Council is as follows:

- 27 Conservatives
- 5 Plaid Cymru/Independent
- 7 Labour
- 4 Welsh Liberal Democrats (Independent)

Monmouthshire's Chief Executive is Mr. Paul Matthews. The Chief Executive is the Head of Paid Service and Principal Policy Adviser to the Council.

The Leadership team is made up of:

- Moyna Wilkinson, Deputy Chief Executive
- Andy Keep, Chief Officer Children and Young People
- Kellie Beirne, Chief Officer Regeneration and Culture
- Simon Burch, Chief Officer Social Care and Health
- Joy Robson, Head of Finance

### Other information

The Assembly Member for Monmouthshire is:

- Nick Ramsay, Monmouth, Welsh Conservative Party

The Members of Parliament for Monmouthshire are:

- David Davies, Monmouth, Conservative
- Jessica Morden, Newport East, Labour, whose constituency covers the electoral divisions of Caldicot Castle, Dewstow, Green Lane, Mill, Rogiet, Severn, The Elms and West End in Monmouthshire

For more information see the Council's own website at [www.monmouthshire.gov.uk](http://www.monmouthshire.gov.uk) or contact the Council at Monmouthshire County Council, County Hall, Cwmbran, NP44 2XH.

## Appendix 3

### Monmouthshire County Council's accounts and use of resources

The auditor appointed by the Auditor General issued the following auditor's report on 30 November 2011.

Councillor Peter Fox  
Leader  
Monmouthshire County Council  
County Hall  
Cwmbran  
NP44 2XH

#### **Annual Audit Letter to the Members of Monmouthshire County Council**

Dear Cllr Fox

As you will be aware the Auditor General will be issuing an Annual Improvement Report to each local authority by the end of January 2012 and some of the issues that were traditionally reported in the Appointed Auditor's Annual Audit Letter will be included in that report. Therefore I have taken the opportunity to summarise the key messages arising from my statutory responsibilities into this short letter which forms the Annual Audit Letter. The letter is designed to be a standalone document, but will also be presented to the Council and the public as part of the Annual Improvement Report and therefore discharges my reporting responsibilities under the Code of Audit Practice.

#### **Monmouthshire County Council complied with its responsibilities relating to financial reporting and use of resources, although we have identified improvements in some areas**

**1** 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.

**2** 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.

- 3 On 30 September 2011 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. A number of matters arising from the accounts audit were reported to full Council and the Audit Committee in my Audit of Financial Statements report.
- 4 From 2010-11, local authorities in Wales are required to produce their accounts on the basis of International Financial Reporting Standards. The introduction of these new standards imposed significant additional demands on the Council's finance staff. As previously reported to the Audit Committee, this process was problematic and took considerable time and effort from officers and audit staff. The delays encountered during the year, also had an impact on the accounts production process at year end, where the Council own closedown plan slipped and although the Council did well to achieve the statutory deadline and produce an IFRS compliant set of accounts, the preparatory work went right up to the deadline.
- 5 Although I have issued an unqualified opinion on the accounts, I have identified the following improvement area:
  - Although progress has been made to improve fixed asset accounting arrangements given the number of issues identified this year further work is still needed to secure improvements in 2011-12.
- 6 The Council is also working through a period of considerable change in terms of its structures and working processes that are impacting in the Finance function and the Estates team. This combined with the introduction and development of various partnership arrangements will present a challenge to the Council in terms of producing its accounts during 2011-12. My audit team will continue to work closely with officers to ensure that effective arrangements are put in place in terms of how these challenges affect the closure timetable, working papers and working arrangements between departments and audit. The Audit Committee will have a key role to play in this process and will need to be kept informed of progress.
- 7 My review 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 main findings from this latter work will be set out in the Annual Improvement Report. There are no significant matters I wish to bring to your attention at this stage.
- 8 The Council has a well developed medium-term financial strategy but the Council continues to face significant financial pressures in the future. This is referred to further in the Annual Improvement Report.
- 9 I issued a certificate confirming that the audit of the accounts has been completed on 30 September 2011.

- 10 The financial audit fee for 2010-11 will be approximately £6,000 higher than that set out in the Financial Audit Outline, given the additional work required on the IFRS during the year. This has been discussed and agreed with the Head of Finance.

John Herniman  
Group Director  
For and on behalf of the Appointed Auditor

## Appendix 4

# Monmouthshire County Council's Improvement Objectives and self-assessment

### Monmouthshire County Council's Improvement Objectives

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

The Council published its Improvement Objectives in its Improvement Plan, *Looking to the Future*, which can be found on the Council's website [www.monmouthshire.gov.uk/improvement](http://www.monmouthshire.gov.uk/improvement). They are:

2010-11 Improvement Objectives	2011-12 Improvement Objectives
We will bring together health, social care and independent sector agencies in a single model of community based services ( <i>Gwent Frailty Project</i> ).	We want to bring together health, social care and independent agencies in a single model of community based care called the <i>Gwent Frailty Programme</i> . More specifically this year we will introduce rapid response teams of district nurses, social workers and home carers working together to prevent people having to go into hospital.
We will improve the range and quality of services for people with learning difficulties and, where appropriate, make it easier for them to find employment.	We want to improve the prosperity of our county and its attractiveness to business. More specifically this year we will support businesses and promote the county to inward investors.
We will encourage development of a more diverse, robust and prosperous local economy and will devise an employment generation strategy.	We want to provide training and employment opportunities and deliver efficiency and maintenance programmes as an holistic regeneration plan for communities within the north of the county. More specifically this year we will focus on the Over Monnow area.
We will increase the skill levels within our communities through targeted activities under the <i>Flying Start</i> programme and help people with limiting health conditions to benefit from exercise.	We want to reform the way we provide education to ensure the best learning opportunities for our children, young people and the wider community. More specifically this year we will develop better teaching and learning practices and build a modern ICT infrastructure within our schools.

2010-11 Improvement Objectives	2011-12 Improvement Objectives
<p>We will introduce the <i>School Effectiveness Framework</i> and reform the way we provide education to address the impact of poverty on educational performance and improve key skills in literacy and numeracy.</p>	<p>We want to work with our partners and the community to increase the amount of waste treated in a sustainable manner and work towards a long-term sustainable alternative to landfill. More specifically this year we will develop a programme of fortnightly collections throughout the county including composting and recycling. As part of this we will progress Prosiect Gwyrdd to offer a long-term and sustainable way of treating residual waste.</p>
<p>We will reduce the impact of alcohol-related violence, crime and anti-social behaviour across all communities in Monmouthshire and we will explore housing quality including the accommodation needs of older persons.</p>	<p>We want to modernise the way the Council is run to improve the way we work. More specifically we will change the way we run some services to reduce the costs and ensure the best use of public money.</p>
<p>We will work in collaboration with our partners to progress Prosiect Gwyrdd to develop sustainable alternatives to landfill.</p>	

### Monmouthshire County Council's self-assessment of performance

The Council self-assessment of its performance can be found in the *Improvement Plan – Part 2* located on the Council's website at

[www.monmouthshire.gov.uk/downloads/file/5698/improvement\\_plan\\_2011\\_section\\_2](http://www.monmouthshire.gov.uk/downloads/file/5698/improvement_plan_2011_section_2)

## Appendix 5

### Progress against previous priorities for improvement

Proposals for improvement	Progress
<p>1 Set Improvement Objectives and update the corporate improvement plan to clearly set the Council's vision and priorities for the future.</p>	<p>The Council published its first Improvement Objectives as required and has updated them for 2011. The Council has met the statutory requirements although we have identified some areas in which the Council should consider taking action. The three-year improvement plan, <i>Looking to the Future: Corporate Improvement Plan for 2011/14</i>, clearly sets out the Council's vision going forward and its priorities over the next three years.</p>
<p>2 Implement systems to support delivery of corporate priorities.</p>	<p>A new system for service planning has been developed which is aligned with the Council's priorities and the major transformational change programme. The approach is underpinned by the introduction of OBA which will shape future performance management and planning system. Positively OBA framework has a focus on baseline of current position; clear population outcomes; performance targets and milestones and staff see the benefit of the new approach which seeks to link corporate priorities through to delivery plans. We continue to monitor how the Council manages performance, in particular in relation to its Improvement Objectives and report our findings in our <i>Annual Improvement Report</i>.</p>
<p>3 Improve the management of performance.</p>	<p>Work to develop an appropriate suite of outcome-focused indicators and also indicators that are aligned more closely with operational activity is continuing. Developing better indicators will facilitate more robust evaluation and scrutiny of performance. At present, the Council is examining proposals to strengthen arrangements in order to enhance the scrutiny function and identify opportunities to improve service performance. We continue to monitor how the Council manages performance, in particular in relation to its Improvement Objectives and report our findings in our <i>Annual Improvement Report</i>.</p>

Proposals for improvement	Progress
<p>4 Ensure plans and services are aligned to support the transformation programme.</p>	<p>A new system for service planning has been developed which is aligned with the Council's priorities and the major transformational change programme. The approach is underpinned by the introduction of OBA which will shape future performance management and planning system. Positively OBA framework has a focus on baseline of current position; clear population outcomes; performance targets and milestones and staff see the benefit of the new approach which seeks to link corporate priorities through to delivery plans.</p> <p>We continue to monitor how the Council manages performance, in particular in relation to its Improvement Objectives and report our findings in our <i>Annual Improvement Report</i>.</p>
<p>5 Train and support the Audit Committee so that it can effectively discharge its remit in relation to the Council's statutory responsibility to have arrangements in place to secure continuous improvement in its functions.</p>	<p>Our work to examine progress in this area is incomplete and we will report this in our next <i>Annual Improvement Report</i>.</p>
<p>6 Review its improvement plan to:</p> <ul style="list-style-type: none"> <li>• define its Improvement Objectives more clearly;</li> <li>• explain what the Council wants to achieve from them;</li> <li>• define what success will look like;</li> <li>• show how performance compares with others; and</li> <li>• show how people of Monmouthshire will be better off as a result.</li> </ul>	<p>Our review of <i>Looking to the Future: Corporate Improvement Plan for 2011/14</i> has identified how the Council has addressed these recommendations. The Council has clearly stated what the Improvement Objectives aim to achieve in relation to the Council's priorities along with broad measures of success.</p> <p>The link between the Improvement Objectives and accompanying measures of success, baselines and targets are not always evidenced and the information contained in the supporting delivery plans is not always robust to demonstrate effective delivery of the Improvement Objectives. Action is underway to strengthen links between the action plans for delivering the Council's Improvement Objectives and individual service plans. There is limited use of comparative and benchmark data.</p> <p>We will continue to monitor how the Council manages performance, in particular in relation to its Improvement Objectives and will report our findings in our <i>Annual Improvement Report</i>.</p>



Proposals for improvement	Progress
<p>7 Set clear priorities for action in the context of reduced resources.</p>	<p>The Council has made progress in reviewing the impact of a reduction in funding and continues to refresh and update its <i>Medium Term Financial Plan</i>. It has reduced its priorities to focus on three areas – schools; protection of vulnerable people; and supporting enterprise, job creation and entrepreneurship – and is aligning budgets to support work in these areas.</p>
<p>8 Consult with its full range of stakeholders and provide citizens with appropriate opportunities to influence and shape priorities for improvement in the future.</p>	<p>In setting its Improvement Objectives for 2011-12 the results of consultation activity has been used to shape the Council's strategic priorities. It is clear that some of the Improvement Objectives have been shaped by consultation and engagement activity whilst others were not subject to and framed by consultation and engagement.</p> <p>The agencies/bodies/interests consulted are not comparable with the full list of consultees recommended by the Welsh Government. For example no reference to local businesses and potential ones. Whilst there has been improvement in how citizens can shape the priorities of the Council, there still remain opportunities to further improvement going forward.</p>
<p>9 Ensure the new service plan framework is rolled out in the next 12 months and develop systems to better manage staff performance in delivering priorities.</p>	<p>A new system for service planning has been developed which is aligned with the Council's priorities and the major transformational change programme. The approach is underpinned by the introduction of OBA which will shape future performance management and planning system. Positively OBA framework has a focus on baseline of current position; clear population outcomes; performance targets and milestones and staff see the benefit of the new approach which seeks to link corporate priorities through to delivery plans.</p> <p>We continue to monitor how the Council manages performance, in particular in relation to its Improvement Objectives and report our findings in our <i>Annual Improvement Report</i>.</p>

Proposals for improvement	Progress
10 Identify minimum service standards for all service areas against which performance can be monitored.	There has been limited progress on setting minimum service standards and we will be undertaking work to examine progress in this area and will report this in the next Annual Improvement Report.
11 Provide training to middle managers and elected members on financial and budget management to support medium-term financial planning.	The Council will review members' training needs following the local government elections in May 2012.
<p>12 <i>Looking to the Future: Corporate Improvement Plan for 2011/14</i> meets the key requirements of the Measure. However, in order to follow the statutory guidance more fully we propose the Council should:</p> <ul style="list-style-type: none"> <li>• include wider information on activities and outcomes in areas not covered by Improvement Objectives, particularly the impact of planned savings and disinvestments;</li> <li>• include comparisons with internal and external standards and comparisons of unit and total costs of delivery over time and with other councils; and</li> <li>• ensure summary and accessible Welsh language versions of the plan are made available at the same time the English language version is published.</li> </ul>	The Council will publish its next Improvement Plan in spring 2012.
13 Ensure there are robust and effective governance arrangements in place when creating integrated services and collaborations, which are subject to regular evaluation of their impact.	We will monitor the Council's progress and will report our findings in our next <i>Annual Improvement Report</i> .
14 Formalise and publish a workforce plan setting out future staffing requirements that is aligned with work on asset management and medium-term financial planning.	We will monitor the Council's progress and will report our findings in our next <i>Annual Improvement Report</i> .



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