



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

Mr Jack Straw
Chief Executive
City and County of Swansea
Civic Centre
Oystermouth Road
Swansea
SA1 3SN

Date 1 October 2012
Our reference 471A2012
Your reference
Tel No 029 2032 0500
E-mail WalesAuditOffice@WAO.gov.uk
Pages 1 of 6

Dear Jack

Improvement Assessment

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

This letter summarises:

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

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

The Council has discharged its improvement planning duties under the Measure and has established Improvement Objectives for 2012-13

We recently conducted an audit of the Improvement Plan and concluded that it was fully compliant with prescribed timescales for publication and required and recommended inclusions. The plan was approved by Council on 24 May 2012, and published in June in full compliance with the requirements.

The May elections resulted in a change in political leadership of the Council. The new administration has affirmed its objectives for 2012-13 and is in the process of aligning its election manifesto commitments with financial and service planning so that it is able to establish its priorities and objectives for the period 2013 to 2017.

Based on, and limited to, work carried out to date by the Wales Audit Office and relevant regulators, I believe the Council is likely to comply with the requirement to make arrangements to secure continuous improvement during this financial year

I have reached this conclusion because:

New Cabinet roles and Scrutiny Committee arrangements have been established and aligned with the priorities of the Council

Roles assigned to the 10 Cabinet members reflect responsibilities for key themes (such as 'anti-poverty' and 'learning skills'). The thematic structure has been adopted to seek to avoid 'silo' thinking and engender a broader understanding of the portfolio and its impact on Council business as a whole.

It is intended that this will provide the necessary framework to support the achievement of the Council Improvement Objectives which relate to supporting vulnerable adults, supporting and safeguarding children, sustainable management of waste, improving learning outcomes, and promoting employability and regeneration.

Overview and Scrutiny Committee arrangements have been streamlined and three committees will focus on 'People', 'Places' and 'Stronger and Safer Communities'. I will be undertaking an all-Wales study on scrutiny arrangements and will be inviting members and officers to participate in a number of learning events later this year.

Both the Audit Committee and Democratic Services Committee have been set up in accordance with The Local Government (Wales) Measure 2011, and the associated statutory guidance, which stipulates a number of mandatory functions to be undertaken. The Council has drafted new Terms of Reference which are all available on the Council's website.

The Council continues to manage its financial challenges effectively

I concluded in my Annual Improvement Report and previous Corporate Improvement Assessment that the Council has a good understanding of its financial situation and, with continuing clear leadership, will remain well placed to address its financial challenges.

For a number of years, a medium-term financial plan has been produced annually by the Council as part of an established suite of budget papers approved by members each spring, which are used throughout the year. Risk areas, such as pressures in Child and Family Services, are highlighted in the budget papers and the Council has a contingency fund to enable it to manage the impact of such risks and uncertainties. The Council has demonstrated, through the implementation of successive medium-term financial plans and annual budgets, that it can make clear choices on a timely basis to maintain its financial health. This approach will need to be maintained as the Council plans how to achieve its priorities and objectives over the medium term.

A number of the proposals for improvement identified in my previous assessments have been addressed or are planned to be progressed as part of the new governance arrangements

Overall, the Council has made good progress in dealing with our previous proposals for improvement. In 2011, I issued a statutory recommendation relating to the planning committee arrangements, governance and efficiency of the planning service.

The Council has made good progress in developing improvements in the way the performance of the planning service can be evaluated and is beginning moves towards a revised performance reporting arrangement. Lessons as a result of the focus on this particular service are being learned and may be applied elsewhere. At member level, one councillor now chairs the Development and Management Control Committee and both Area Development Control Committees with the intention of providing consistency and strengthening the exercise of members' quasi-judicial responsibilities.

The Chief Executive and senior members have a clear understanding of the issues and a report is scheduled for presentation to members in October which will provide members with the opportunity to make decisions in respect of weaknesses in governance I previously raised. I will be reporting more fully on this matter later in the year.

Updates to the work plan and timetable

My Improvement Assessment Team will keep the Council informed of the detailed arrangements for the delivery of my assessment work during 2012-13. The work plan and timetable – which will be updated and discussed with the Council on a regular basis – provides more detail on how we intend to focus resources in this year's assessment, and in particular, how we will add value by focusing on jointly identified areas or services.

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

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

Yours sincerely



HUW VAUGHAN THOMAS

AUDITOR GENERAL FOR WALES

CC: Carl Sargeant, Minister for Local Government and Communities

Steve Barry, Wales Audit Office, Manager

Sam Spruce, Wales Audit Office, Performance Audit Lead

Appendix 1

Proposals for improvement	Progress
<p>1. Improve business planning through:</p> <ul style="list-style-type: none"> • integration of service financial and workforce planning; and • ensuring they are living documents updated for 2012-13 MTFP and capital budgets. 	<p>Business plans prepared by each head of service, with the timetable brought forward for 2012-13 to be more closely aligned with budget cycle.</p> <p>Lessons learnt process resulted in changes to the template introduction of Financial Assumptions Tool and workshop input from subject specialists to assist in specific areas of the plan such as Equality and Diversity and Sustainability.</p> <p>The recent 2012-13 business planning exercise was the second year of undertaking this more integrated process. With each annual cycle, the Council will expect the process to become more embedded.</p>
<p>2. Engage with partners to identify shared outcomes and develop measures of success and PIs.</p>	<p>Introduction of Nuffield Partnership Assessment Tool being piloted in legal shared services. To evaluate governance and effectiveness.</p> <p>Used Results Based Accountability (RBA) population accountability to develop with partners shared outcomes and measures included in Children's and Young People Partnership Plan (CYP) will then evaluate this as a model.</p> <p>Further developing the community strategy annual review process to foster shared ownership of partner priorities.</p>
<p>3. Strengthen accountability of member behaviour.</p>	<p>Ombudsman consulting with other governing bodies/officials to obtain views on Swansea's proposals.</p> <p>Awaiting outcome.</p>
<p>4. Address statutory recommendation requesting action plan setting out response to our recommendations.</p>	<p>Wales Audit Office following up progress of action plan at monthly regulators meetings, scheduled observation at committee meetings, awaiting Chief Executive's report before scoping up our project work.</p>
<p>5. Longer-term HR planning is needed to better support strategic decision making including the development of:</p> <ul style="list-style-type: none"> • updated competencies in performance appraisal implemented across the Council; • HR strategy 2012-13; and • workforce plan/strategy for 2012-13. 	<p>The Council has progressed the development of HR policies and procedures, a HR Strategy, and the development of a new pay and grading structure.</p>

Proposals for improvement	Progress
<p data-bbox="245 510 751 636">6. Clarity about what the Council is trying to achieve through its improvement programme and actions needed to achieve it, such as:</p> <ul data-bbox="296 651 751 875" style="list-style-type: none"><li data-bbox="296 651 751 719">• outcomes/impact on people's lives communicated to the public; and<li data-bbox="296 725 751 875">• relevant tailored performance measures easily understood contributing towards a more balanced and meaningful annual report.	<p data-bbox="794 510 1410 607">New model/process for devising Improvement Objectives and measures targeted to be in place for 2013-14.</p>