



# Wales Programme for Improvement

Guidance for Local Authorities 2005

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Llywodraeth Cynulliad Cymru  
Welsh Assembly Government

Further copies of this document can be downloaded from our website or are available from:

Jason Cooper

Local Government Policy Division

Welsh Assembly Government

Cathays Park

Cardiff

CF10 3NQ

Telephone: 029 20821515

E-mail: [jason.cooper@wales.gsi.gov.uk](mailto:jason.cooper@wales.gsi.gov.uk)

Website: <http://www.wales.gov.uk/subilocalgov/toc-e.htm>

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# CONTENTS

1.	INTRODUCTION	1
	Statutory background	1
	Efficiency and Improvement	4
	Equalities and Sustainability	5
	Coverage	7
2.	THE IMPROVEMENT CYCLE	9
	Improvement defined	9
	Components of improvement	10
3.	ANNUAL ASSESSMENTS	15
	Annual service assessments	15
	Annual equalities and sustainability assessments	17
4.	THE JOINT RISK ASSESSMENT	21
	Risk defined	21
	Assessing risk	23
	Risk assessment outcomes	24
5.	PERIODIC REVIEWS	25
	Purpose of reviews	25
	Conducting reviews	26
	Inclusivity in reviews	27
	Outcomes of a review	28
6.	USING PERFORMANCE INFORMATION	31
	National strategic measures	31
	Core data sets	32
	Shared outcome measures	33
	Survey measures	34
	Local indicators	34

7.	COMMUNICATION AND ACCOUNTABILITY	35
	Audiences	35
	Communicating improvement information	36
	Publication	39
	Wider public engagement	39
	Flexibility	41
8.	REGULATION, INSPECTION AND INTERVENTION	43
	Principles of R&I	43
	The role of R&I	44
	R&I and the improvement plan	45
	The regulatory plan	46
	Intervention	47

# 1. Introduction

## Statutory background

- 1.1 The Local Government Act 1999<sup>1</sup> requires local authorities to:
- secure continuous improvement in the way in which they exercise their functions, having regard to a combination of economy, efficiency and effectiveness;
  - consult widely on how to do so, and report publicly on the outcome;
  - conduct reviews of their functions;
  - prepare a performance plan (which this guidance refers to as an improvement plan) for each financial year.
- 1.2 In 2002, the Welsh Assembly Government issued Circular 18/2002, which established the Wales Programme for Improvement (WPI) as a means of fulfilling these duties. That supplanted the previous guidance on best value for Welsh local authorities.
- 1.3 This new guidance in turn replaces that issued in 2002, which ceases to have effect. It applies to county and county borough councils, and National Park authorities, in Wales. The Assembly Government will issue guidance to fire and rescue authorities in Wales separately.
- 1.4 Some elements of this guidance are issued by the Welsh Assembly Government using the Assembly's powers in sections 3, 5 and 6 of the 1999 Act, as delegated to the Minister for Finance, Local Government and Public Services. They thus have statutory force, and local authorities are thus under a duty to have regard to such guidance. The text notes specifically those elements of the guidance that are statutory.

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<sup>1</sup> In the rest of this guidance, "the 1999 Act" means the Local Government Act 1999.

## Improvement in context

1.5 The WPI was established to reflect a specific set of statutory duties and requirements, but it is designed to do so in a way which reflects and furthers the shared vision of public service improvement and local and national accountability for it.

1.6 The Assembly Government's agenda for public service improvement - *Making the Connections* - describes this wider context. This guidance expressly addresses the outcomes that *Making the Connections* aims to achieve at the appropriate points, but in principle this means that the WPI needs to embrace:

- a common commitment on the part of the Assembly, local authorities and regulators to delivering a consistently high and improving standard of public services as efficiently as possible;
- the vital importance of actively establishing, reflecting and meeting needs and priorities of communities and citizens, and doing so in a way which mainstreams equality and social justice considerations;
- a willing acceptance of the need to work across geographic and organisational boundaries in pursuit of shared aims;
- a focus on delivery of outcomes, rather than compliance with processes.

1.7 That points to a revised WPI which delivers all of the above and which effectively joins together the other components of the accountability and improvement framework. Those include:

- a heavily reduced (and community-focused) statutory planning framework that minimises burdens and maximises flexibility, responsiveness and accountability;
- a greatly enhanced performance measurement system which:
  - captures authorities' contributions to national objectives while minimising the data collection burden of doing so;
  - generates balanced and comparable management information to inform improvement and decision-making;

- improves authorities' ability to engage with citizens and partners on their performance and their priorities in an objective and consistent way;
- helps to identify scope for collaboration and learning from others;
- integrates effectively with authorities' existing information systems and practices;
- supports targeted improvement in services and delivery of national and local priorities via policy agreements.
- a value-added approach to regulation and inspection which:
  - provides an authoritative and objective external assessment of performance;
  - identifies and spreads solutions and best practice rather than just validating what's already known;
  - focuses on the effectiveness of delivery from a user's perspective, and respects policy decisions taken by elected members;
  - is proportionate to risk, burden and potential value added, and is co-ordinated between regulation and inspection bodies in the interests of this.

1.8 The aim of this revised guidance is to provide a single system for using all of these components to deliver the objectives described above.

### What's new since 2002

1.9 The revised WPI as set out in this guidance addresses all of these developments. The main differences from the original WPI are as follows:

- local authorities have gained significant experience of using the WPI to drive improvement, and the changes from the old Best Value regime have largely bedded down. There will thus be no statutory duty to repeat the whole authority analysis, although local authorities are free to do so if they consider it would be beneficial;

- the process of reviewing functions and processes is now more flexible. Authorities should conduct reviews where and to the extent that the other elements of the improvement and accountability framework identify a need for them. This allows authorities to reflect the particular contexts in which they operate and to review services more directly in line with the pressures on them and the needs of users;
- the process for improvement planning, delivery and reporting has been simplified and clarified - and is explicitly more cyclical in nature, with one year's outcomes informing local authority corporate and budget planning, in turn reflected in the following year's improvement plan;
- communicating improvement activity now means more than preparing and publishing a one-off 'improvement plan'. This guidance recognises that there is a wide range of audiences for WPI-related information and allows considerable discretion to authorities in meeting their various needs;
- this guidance makes clear that risk means more than a narrow sense of potential process failure or financial loss. Failure to improve, and/or to meet needs, priorities and duties, is fundamentally the most serious risk an authority can face. The joint risk assessment needs to be construed similarly: it is the means by which an authority and its regulators assess the key areas for improvement in light of the authority's priorities and those of the citizens and communities that it serves.

1.10 Some of these developments will require legislative changes - for instance, lifting the requirement to prepare a whole authority analysis and changing the date for the publication of improvement plans. The Assembly Government will invite the National Assembly for Wales to make the appropriate order during 2005/6.

## Efficiency and improvement

1.11 This guidance makes clear that greater efficiency is an important component of improvement in general. That also reflects the

Assembly Government's wider public service reform agenda as set out in *Making the Connections*. Under the revised Wales Programme for Improvement, authorities should therefore:

- set specific annual targets for efficiency gains (as for other services and priorities);
- assess jointly with their regulators any risks to their ability to make efficiency gains (as for other sources of risk), and put in place suitable measures for managing those risks;
- report and comment in their annual improvement plans on the progress they have made in achieving targets and managing risks; and
- publish the improvement plan, and subject it to independent audit.

1.12 Further details of each of these processes are in chapters 3, 4 and 7 of this guidance.

1.13 Efficiency gains as planned and reported under the WPI must consist of genuine and sustainable changes to business practices which either yield cash savings or allow more or better services to be provided for the same resource input. Cuts in budgets, including budgets allocated to schools or other third parties, do not of themselves represent efficiency gains, and should not be counted as such. The Assembly Government has issued separate and more detailed guidance on efficiency planning and reporting, to which authorities should refer.

## Equality and sustainability

1.14 This guidance places clearer emphasis on equality and sustainability in improvement planning. Both are key ingredients in effective and efficient performance. This is the case on all levels of authorities' functions, from service delivery to strategic planning and community leadership.

1.15 In WPI terms, failure to make arrangements, properly supported by the necessary resource provision and capacity building, to ensure equity and sustainability at a strategic level constitutes a strategic risk. Processes for defining, identifying and quantifying needs, and

for agreeing strategic and operational plans to meet those needs, must take full account of both diversity within communities and the needs of future generations. Anything less is a failure in community leadership.

- 1.16 At the operational level, a failure to ensure equity in service delivery, or a failure to meet needs in a sustainable way, is a failure to perform in a fully effective and efficient way.
- 1.17 It follows from this that in making their arrangements to secure continuous improvement in the exercise of their functions, as required by the 1999 Act, authorities should pay due regard to the equity and sustainability dimensions of good performance. It further follows that WPI risk assessments should consider any threats to the authority's ability to achieve its strategic aims in these aspects of performance and improvement.
- 1.18 Building equalities and sustainability into annual assessments - as required by this guidance - will identify these risks. They should be assessed within the Joint Risk Assessment process and addressed appropriately within improvement plans.

## Flexibility

- 1.19 Elements of this guidance have statutory force and authorities are thus obliged to have regard to it. However, it is, as far as possible, deliberately flexible and non-prescriptive, and authorities are encouraged to apply it in a way which best fits their existing arrangements for business and corporate planning, and best supports their ability to deliver local needs. The Assembly Government and regulators will not, other than in exceptional circumstances, seek to direct the detailed approaches that authorities take to improvement planning provided that they remain within the spirit and purpose of this guidance.
- 1.20 The Improvement Board will keep this guidance under review, in light of actual practice within local authorities and their regulators.

## Coverage

- 1.21 This guidance applies in full to county and county borough councils in Wales. It also applies to National Park authorities in a way commensurate with the structure, scale and breadth of their operations, and in the context of the Assembly Government's review of National Park authorities and the annual strategic grant letter issued to them by the Minister for Environment, Planning and Countryside. The Assembly Government may in due course issue further WPI guidance to National Park authorities, modifying this guidance in more detail.
- 1.22 The improvement framework for Welsh fire and rescue authorities became the responsibility of the Assembly under the Fire and Rescue Services Act 2004. However, the markedly different nature of such authorities' functions, structure and performance measurement framework means that a distinct approach to improvement is necessary, and this guidance does not apply to them. The Assembly Government will thus issue WPI guidance for Welsh fire and rescue authorities separately.
- 1.23 For the avoidance of doubt, the term "[local] authority" in the rest of this guidance should be construed in accordance with the above.



## 2. The improvement cycle

### Improvement defined

2.1 There are many ways in which a local authority and its services may improve. The basic purpose of any local authority is to provide services which meet the needs of the citizens and communities it serves, and to improve their quality of life. Improvement embraces any actions which support, facilitate or demonstrate progress towards that. It may, for instance, include:

- meeting or exceeding targets which support an authority's long-term objectives and statutory duties;
- quantifiable increases in the standard and availability of services, both in absolute and benchmarked terms, and including the provision of services on a more equal and sustainable basis to all those that the authority serves;
- maintaining a high standard of services and service availability, especially in the face of greater pressure on them (eg increasing demand or expectations, funding pressures and changes to the legislative context);
- improving the efficiency of an authority's operations, ie reducing the unit cost of a given output and/or providing more or better outputs for the same cost;
- developing the authority's capacity to identify, respond to and meet needs, in innovative ways where appropriate.

2.2 Improvement in all its forms, and the capacity of an authority to manage and deliver it, is at its heart a continuous activity. Some elements of it (eg business planning and performance reporting) necessarily occur on an annual cycle, aligned to budgeting and

accounting processes<sup>2</sup>, and others may take place on multi-year cycles. The essence, though, is of and continuous action within each authority, and between authorities, partner organisations and the citizens they serve, to:

- develop a longer-term strategic outlook and a set of broad priorities for action, built around the community strategy and the high-level strategic plans that remain as statutory requirements;
- review and assess performance, capacity and risk, and identify where further or corrective action is needed;
- monitor delivery of planned actions and improvements, and subject them to external regulation and inspection;
- report publicly and account for performance and planned actions to improve it, and fully to reflect the responses to that;
- feed the results of monitoring and review back into the strategic planning and annual assessment processes.

2.3 These processes also need to mesh fully with an authority's existing systems for business, operational and budget planning: the WPI provides a broad context within which local authorities should operate, rather than an extra set of processes which operate in isolation. Indeed, the above processes of strategic planning, assessment, review, monitoring and feedback should feature in any prudent system of corporate governance already.

## Components of improvement

2.4 The WPI process thus comprises the following components:

- annual **assessments** of services and functions, and of their equalities and sustainability impact, to establish conformity with the authority's longer-term strategic aims, fitness for purpose and capacity to improve;
- an annual **joint risk assessment** to identify priorities for improvement in the coming year and to confirm progress against those highlighted in the preceding year;

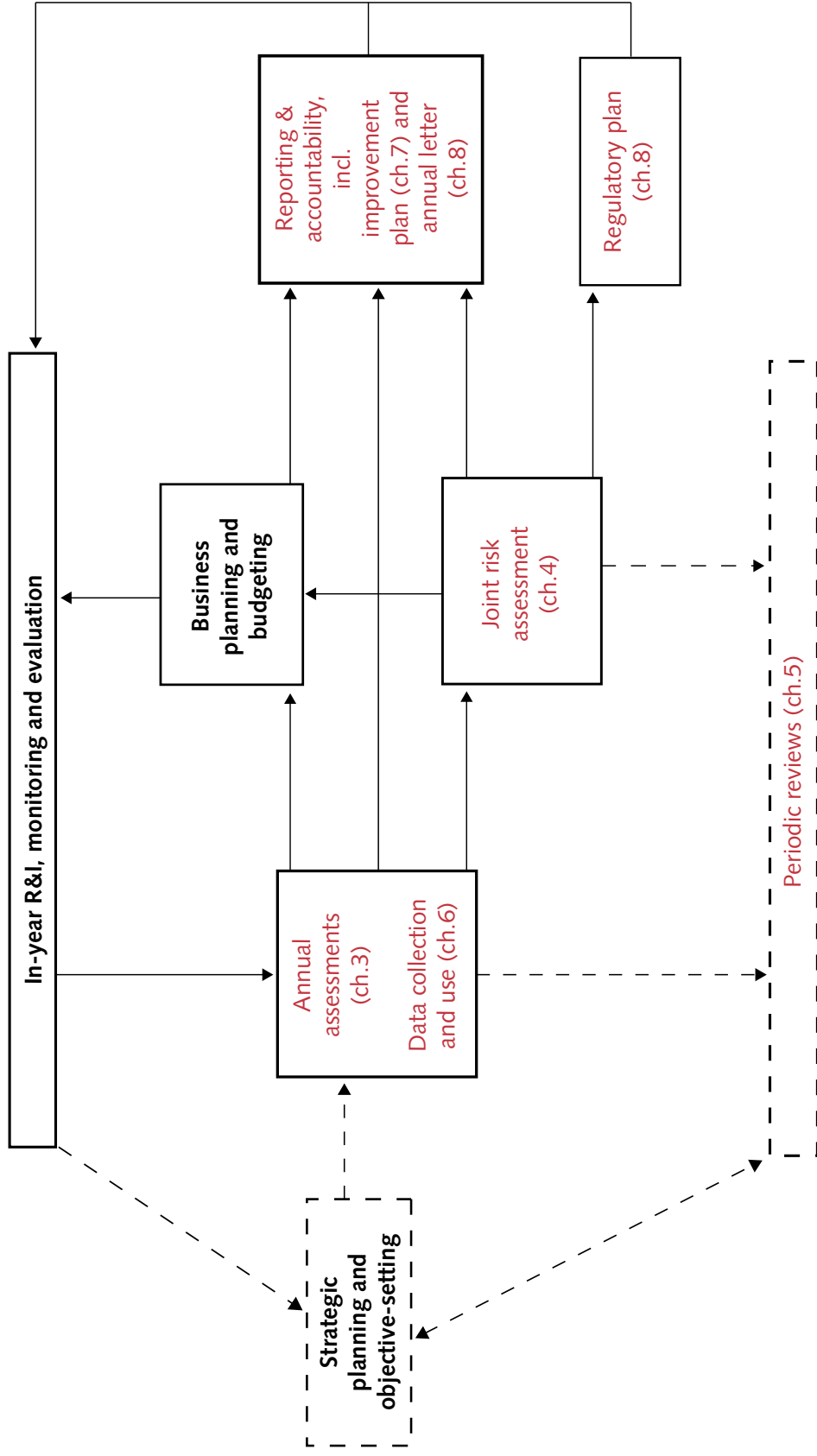
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<sup>2</sup> In this guidance, the term 'reporting year' means the same as 'financial year' in the 1999 Act, ie a period beginning on 1 April and ending on the following 31 March.

- feeding the results of the above into the authority's **corporate and budget planning** processes;
- more fundamental **reviews** of services and functions where the assessment and planning processes have identified continuing difficulties, new pressures or significant changes of direction;
- **communicating and accounting for performance**, partly but not solely by means of an **improvement plan** (see Chapter 7);
- a **regulatory plan** which sets out the detailed role and planned activities of regulators and inspectors to support improvement in the coming year (see Chapter 8);
- **monitoring and evaluation** of actions identified in the above processes, and feedback into strategic planning and future years' assessments.

2.5 The diagram and table overleaf illustrate the relationship between the formal components of the WPI and standard local authority service and budget planning processes.

## The improvement cycle



**NB** The typical annual cycle is indicated by solid lines and boxes; less frequent or ad hoc activity is shown dashed. Formal components of the WPI are shown in red.

**WPI and related activity**  
in each reporting year

Y0 Q4	Y1 Quarter 1 (Apr-Jun)	Y1 Quarter 2 (Jul-Sep)	Y1 Quarter 3 (Oct-Dec)	Y1 Quarter 4 (Jan-Mar)	Y2 Q1		
	Initial PI and financial data for Y0		Audited PI data & final accounts for Y0		Initial PI and financial data for Y1	Performance/ financial data	
	In-year management data gathering						
Final budget for Y1 Final service plans for Y1			Initial budget for Y2 Initial service plans for Y2	Initial budget for Y2 Initial service plans for Y2	First-stage reporting: Y2 service plans & targets	Budgeting and planning	
	First-stage reporting: Y1 service plans & targets		Second-stage reporting: Y1 improvement plan and summary			Reporting & engagement	
	other forms of engagement/reporting						
		Audit of Y0 performance data and accounts	Regulatory plan RMAL			R&I	
	R&I as per plan						
Annual assessments for Y0		Joint Risk Assessment for Y1		Annual assessments for Y1		Assessment	
	Continuous risk monitoring and assessment						

**NB** Y1 is the reporting year in question. Y0 is the previous year; Y2 the following year. Formal requirements of the WPI are shown in red.



## 3. Annual assessments

- 3.1 The raw material for each improvement cycle is an annual programme of assessments of the authority and the services it provides, and the capacity for these to improve in the short to medium term. In some cases, it will also be necessary to undertake a formal review of a function. There are many possible ways in which an authority can approach these tasks across the full range of its functions and, where appropriate, services, and this guidance simply sets out the broad structure of assessing and reviewing performance, and some of the options available.

### Annual performance assessments

- 3.2 Authorities should keep all aspects of their services, functions and processes under continuous review. WPI risk assessments and authorities' own business plans and budget-setting, must be based on up to date and comprehensive information together with a fair and objective appraisal of the performance, and underlying strengths and weaknesses, of the service units involved. Annual self-assessments are the process through which this information is brought together from the range of relevant sources, and where the currency, relevance and effectiveness of service plans and other activities are challenged and re-evaluated.
- 3.3 This should be little different from an authority's existing business and service planning processes. Provided that transparent, accessible, audit trails are available to the relevant sources of information (see also ch.7), the annual performance assessment process need not require further formal documentation, beyond that which the authority requires for its own planning, management and governance arrangements, including internal scrutiny. Indeed, any reasonable process of business planning should be capable of meeting the requirements of this chapter with little or no modification, with service

and business plans representing the outcome of the assessment programme. The standard business planning cycle means that annual assessments would normally be finalised shortly before the start of each reporting year.

3.4 There should be no need for annual assessments to replicate or duplicate periodic reviews (see chapter 5): they do not need to revert to first principles, and the depth and extent of their coverage will naturally depend on the circumstances and challenges that the service in question faces.

3.5 Authorities may nonetheless find it helpful to consider the following broad themes when conducting their annual assessments. There is, though, no obligation to do so, still less to document or evidence the outcomes under these headings.

- **Aims.** The aims and objectives of the service(s) or function(s) in question, how far they contribute to the authority's longer-term strategic vision, and how well that vision has been translated into shorter-term business and operational planning.
- **Needs.** The citizens, communities, partner organisations and/or internal customers who use the service(s) in question, the nature and extent of their needs and the level of demand. It should assess the extent of any possible changes to these, how the authority could best respond to those.
- **Delivery.** The level of performance, based on reliable and comparable data (see chapter 6), and the extent to which aims, objectives and targets have been met. Targets should also be re-set for future years; where they have not been met, it would also be essential to consider the reasons why and any corrective action needed.
- **Efficiency.** The efficiency of the service(s) in question, again using reliable and comparable performance and unit cost data, and the potential for realising efficiency savings, either by maintaining the same outputs for lower inputs or prices, and/or by achieving greater outputs for the same inputs or prices;

- **Capacity.** The existing capacity of the service(s) or function(s) in question and the potential to deliver sustained levels of performance, any need to build capacity and the means of doing so, including any potential for collaborative working with other bodies.
- **Accountability and engagement.** The existing arrangements for accounting internally and externally for delivery of the service(s) in question, the strength and effectiveness of scrutiny, and the extent of engagement with the workforce, service-users and partners in setting priorities and planning improvement.

3.6 The outcome of an assessment should be a reliable statement of the current position of each service or function, its relative capacity to improve, and the areas where action may be necessary to achieve this. The programme of assessments taken together should provide a comprehensive picture for the authority as a whole, and provide a sound basis for risk assessment and corporate and service planning.

### Annual equalities and sustainability assessments

3.7 As noted above, authorities are free to structure assessments as they see fit. They may, for instance, organise them wholly or partly around themes or user groups, rather than services. In any event, each authority should ensure that it conducts annual assessments of progress towards its equality/diversity (including for these purposes language use and language preference) and sustainability objectives. This does not necessarily mean conducting such assessments separately across the whole authority: assessments of individual services, processes or business units could instead include integrated assessments of equalities and sustainability, as below.

3.8 Local authorities are already under various duties as regards equality, including duties to assess and review their service provision to ensure compliance with broader equalities duties and principles. This guidance does not and cannot cover the discharge of those duties in any depth, nor can it supplant guidance available to local authorities from statutory equalities bodies, the WLGA Equalities Unit and elsewhere. However, equalities assessments should draw on, rather than replicate,

local authorities' compliance with relevant statutory duties, the work of statutory equalities bodies and monitoring of equalities schemes. The aim should be as far as possible to integrate existing equalities work into local authorities' corporate planning and reporting, and thus into the WPI.

### 3.9 Equalities and sustainability assessments should:

- confirm the current aims of the authority in relation to equalities/ diversity and sustainability, and assess the extent to which they contribute to and conform with the authority's long-term strategic vision and objectives;
- consider how far those aims reflect the whole area that the authority serves, and the diversity of the communities within it, and the levels of need and demand within both;
- review performance in delivering the relevant aims, and consider means of addressing any shortfall:
  - For equalities purposes, authorities should use reliable and comparable data for this purpose, disaggregated as appropriate to reveal any differential level of delivery as between, for instance, gender, age, disability, ethnicity, sexuality and language preference, as well as shared outcome measures. They should also use relevant self- and impact assessment tools, in particular the Equality Standard for Local Government in Wales.
  - For sustainability purposes, while some statutory and core set measures in some service areas will be directly relevant, it may often be more appropriate to draw on shared outcome measures and relevant self- and impact assessment tools;
- address the current capacity of the authority to achieve the relevant aims, and identify any need for capacity-building work, including the recruitment of staff from particular backgrounds and/or the development of particular skills among the workforce.

## Conducting assessments

- 3.10 Authorities are free to conduct assessments in any appropriate way, but are encouraged in particular to use relevant assessment tools provided by regulators and inspectors. Authorities should aim in all cases to base their assessments on as wide a range of views and evidence as possible, and to conduct them inclusively. This should generally involve reflecting the views of service-users, partner organisations, community groups and peers as appropriate. Scrutiny committees in county and county borough councils should also be expressly invited to give their views, and in particular on the effectiveness with which aims and objectives have been met in the past year.



## 4. The joint risk assessment

- 4.1 The programme of annual assessments should be capable of identifying the main opportunities, threats and constraints that an authority faces in meeting its aims. These in turn form the raw material of the formal annual risk assessment which an authority should conduct jointly with its regulators, and which should lead not only to the identification of risks but, crucially, to detailed and deliverable plans for managing, mitigating or avoiding them.
- 4.2 Joint risk assessments will normally take place in the second quarter of a reporting year, once business planning is complete and initial performance and financial data is available. However, best practice is to keep assessments of risk under continuous review, especially with regard to the actual effectiveness of actions taken to manage or mitigate risk. While, therefore, the joint assessment is a formal component of the WPI, it merely encapsulates and summarises a wider range of activity.

### Risk defined

- 4.3 Risk is a very broad concept. It has specific meanings in some fields, such as financial management (where it has the sense of potential loss) and operational theory (where it has the sense of process weakness or threats to business continuity). Those and similar specific risks (such as risks of litigation or health and safety risks) should be managed continually at the operational and corporate levels. They may, in turn, feature in the WPI joint risk assessment.
- 4.4 However, risk in an improvement context is necessarily more broadly defined. Here, a risk is simply a threat to improvement in any and all of its forms as defined in chapter 2. The most fundamental threat than an authority faces is a failure to meet its strategic objectives and statutory duties, and thus a failure to improve to that end. For the purposes of

this guidance, risk is therefore any potential development or occurrence which, if it came to fruition, would jeopardise the authority's ability to:

- achieve its strategic aims, and/or
- provide services as planned, and/or
- fulfil its statutory duties, including the duty to make arrangements to secure continuous improvement.

4.5 There are many ways of classifying risk, and this guidance does not specify a particular approach. However, for illustrative purposes it is possible to categorise the range of risks to improvement that might arise as follows:

- *capacity risks*: the absence of a required political, management or operational mechanism, or the potential for such a mechanism to deliver outputs or outcomes which are materially less than, or in conflict with, those planned or required. Examples might include a lack of effective leadership, ineffective scrutiny (for instance, that which does not adequately engage the full range of views on the Council as a whole), an inability or unwillingness to innovate or collaborate, or, more simply, the failure of an administrative or operational process;
- *resource risks*: a potential lack of financial, human or other resources to meet established needs or demands. Examples might include funding pressures, lack of specialised skills, failure to identify and realise efficiency gains, unreliable information or other management systems or inadequate capital assets;
- *contextual risks*: a potential failure to identify and/or respond to external pressure on the authority and the services it provides. Examples might include a failure to anticipate electoral, demographic or legislative change, a potential loss of credibility or reputation, or inadequate engagement with service-users to determine their needs and formulate appropriate long-term objectives. The sources of many contextual risks may be outside an authority's control, and may indeed arise at an all-Wales level. They are, though, risks nonetheless and need to be assessed and managed appropriately.

## Assessing risk

- 4.6 As was the case in the previous WPI guidance, authorities and their regulators may conduct a risk assessment using any reasonable methodology. The assessment should:
- address all of an authority's services and functions;
  - focus in particular on those which appear to be among the sources or causes of risk (especially where a review or a previous risk assessment has identified this);
  - be capable of prioritising risks, and identifying deliverable actions for managing, mitigating and/or eliminating them.
- 4.7 In determining their approach, authorities and their regulators should bear in mind the following standard elements of risk:
- *Probability*, ie the chance that a risk will materialise. Probability should as far as possible be based on an objective assessment of (a) the causes of a materialised risk; (b) the likelihood of their occurrence; and (c) the strength of measures (such as contingency plans) to prevent, forestall or anticipate such an occurrence.
  - *Impact*, ie the consequences for the authority, service-users and others, of such an occurrence. This is proportional to the priority which the authority has accorded to the objectives which the service or function at risk supports, and/or the existence of a statutory duty; and the extent to which delivery of that priority or duty is dependent on them. Risks to services on which major priorities depend heavily will be higher than risks to services which do not make such a major contribution to the delivery of high-priority objectives.
- 4.8 Assessed risk is then the product of probability and impact, although it may not always be necessary or appropriate to adopt a purely arithmetical approach to risk classification, provided that the relative importance of risks remains clear.

## Risk assessment outcomes

- 4.9 The outcome of a risk assessment should be an objective and evidence-based account of the main threats that an authority faces in meeting its objectives, and the actions and resourcing decisions that it should take to avoid or minimise them. Risks should be ranked and addressed in order of priority, and should clearly relate to the services or organisational units involved and which will be responsible for taking action to avoid, mitigate or manage the risk concerned. Risk assessment outcomes should also fully address corporate governance issues. Ownership of risks and responsibility for avoiding or minimising them should be clearly assigned, including in particular the roles and responsibilities that executive and scrutiny Members, and senior officers, will be expected to bear.
- 4.10 Risk assessments may conclude that risk is low or even zero in some areas or services. In such cases, and also where an authority has materially reduced previously significant levels of risk, it is quite possible that an authority's approaches and procedures would constitute effective practice that would be worthy of dissemination, for instance by regulators and inspectors or via *Excellence Wales*.
- 4.11 The risk assessment should be agreed between the authority and its regulators and inspectors. The latter may, where they consider this appropriate, take a different view on the assessment and reflect this in their annual letter (see chapter 8), but the aim should be to reach an agreed position as far as possible.
- 4.12 As with other components of the WPI, risk assessment should not be carried out in isolation or as a one-off exercise. Authorities will wish to ensure that they properly monitor and, where appropriate, reassess risks as circumstances unfold. It may thus be useful to maintain standard corporate and/or service risk registers, showing assessed risks, the actions needed to manage or mitigate them, and responsibility for doing so.

## 5. Periodic reviews

### Purpose of reviews

- 5.1 The annual processes of self- or risk assessment and the action plans that follow those processes will in routine cases suffice to ensure that an authority remains on course to deliver its strategic aims, and/or to identify and implement corrective action. However, in certain circumstances it may be necessary or desirable to carry out a more fundamental review, ie a review such as is envisaged by section 5 of the Act. Such circumstances may commonly include repeated or intractable problems identified in annual assessments or through scrutiny (for instance, continued failure to meet performance or efficiency targets or levels of demand), or sustained high levels of risk.
- 5.2 Reviews are not, though, only remedial measures. They should be used positively as means of medium-term improvement planning too, for instance when there are:
- planned or actual changes in the strategic direction or organisation of the service(s) or the priorities that they support, including identified opportunities for major innovation in their delivery;
  - major changes in the legislative framework relating to the service(s);
  - anticipated or actual major changes in usage of or demand for services.
- 5.3 Whether and when to conduct a review is a decision that each authority should take on its merits, in discussion with their regulators where appropriate. The Assembly Government does not intend to exercise its powers in section 5 of the 1999 Act to impose a requirement to conduct specific reviews, or to conduct reviews within a specified period of time\*.

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\* Local authorities are, of course, under other duties to review their functions, for instance under race relations legislation. Such duties are naturally unaffected by this guidance.

- 5.4 The coverage of a review will likewise depend on the circumstances of the case, and the issues or deficiencies that the review will seek to resolve. For instance, reviews may consider:
- service areas or a combination of them, including services provided by other agencies;
  - specific functions within or across service areas (eg a review of customer service or procurement procedures);
  - services provided to user groups, such as children, older people, minorities or businesses;
  - services provided to communities and areas, perhaps especially for geographically larger and more diverse authorities;
  - any combination of the above.
- 5.5 It is recognised that the commonest approach may well be to review service areas, whether singly or in combination, and that remains valid. However, authorities are encouraged to bear in mind other approaches when considering whether a review is necessary, as these may well increase an authority's responsiveness to citizens' needs and priorities, and its ability to deliver its community strategy objectives.

## Conducting reviews

- 5.6 All reviews, whatever their focus, should start from first principles and take nothing other than an authority's statutory duties and powers for granted. They should consider, for instance:
- for those services which an authority is not legally obliged to provide, whether the service continues to make a worthwhile contribution to the authority's objectives, in the light of wider pressures on it;
  - the potential for developing a greater understanding of the needs and priorities of the users of services, and of citizens and partner organisations generally. In particular, reviews should consider how far the needs of specific user groups (such as children or minority groups) are being identified and met;

- how far service delivery could be improved by better use of an authority's broader powers, for instance those of promoting economic, social and environmental well-being, or the powers to charge for services or trade through a company, or by outsourcing or subcontracting service provision;
- the potential for better deployment or reorganisation of staff resources to deliver improvements (for instance, by releasing staff for front-line delivery and/or combining services in organisational terms);
- the scope for improvement via collaboration with other authorities or other public bodies.

5.7 Authorities are free to carry out reviews using any accepted and reasonable methodology: this guidance does not prescribe a single approach. In many cases, regulatory and inspection bodies may be able to advise on the most appropriate means of carrying out a review.

### Inclusivity in reviews

5.8 Reviews should not be seen as purely internal affairs. On the contrary, it is essential that they are based on as wide a range of views and evidence as possible, and subject to validation and/or challenge by others with an interest. This should always involve actively seeking the views of users and partner organisations as part of a review, and subjecting the initial findings to scrutiny committees. However, authorities may also consider:

- conducting reviews jointly with other authorities or other relevant public or voluntary bodies, particularly where there is, or appears to be scope for, collaboration between them to deliver services;
- engaging consultants to carry out a review, particularly where specialist expertise would provide a valuable degree of challenge;
- inviting a scrutiny or area committee to carry out a review;
- inviting an inspection, or taking advantage of one already planned, to gain an assessment from regulators and inspectors which an authority can then build on.

- 5.9 All WPI reviews should, nonetheless, conform to the terms of this guidance, regardless of which body carries them out. Authorities should bear this in mind in drawing up terms of reference; alternatively an authority may complete an externally-delivered review itself so as so ensure that it fully meets the above.

## Outcomes of a review

- 5.10 All reviews, whether of services, corporate capacity or otherwise, should generate action plans to address the issues they identify. The exact content of an action plan will clearly depend on the scope of a review and its findings. Where a review has been conducted prior to a change programme or project, and/or in anticipation of a change in external context or demand, it should help to confirm and develop the project or programme brief. However, the outcome of all reviews should be that the following, where relevant, are clearly known and capable of being acted upon:
- the steps planned, together with timetables for their achievement and the human, financial and other resources needed;
  - how delivery of these actions will be gauged, including how performance data will be used;
  - any appropriate contingency arrangements should planned actions fail to have the desired effect;
  - arrangements for involving scrutiny committees, partner organisations and service-users in monitoring and assessing the delivery of planned actions;
  - how progress will be reported - which should always include coverage in the relevant improvement plans;
  - where responsibility for actions lies, whether within the authority or (for reviews conducted jointly with other bodies) with which body. As with risk assessments, ownership of the actions by executive and scrutiny Members, and senior officers, should be clear;

- any support the authority will seek, and/or any collaborative arrangements it will make, to deliver the actions, involving the WLGA and its component parts, the Wales Audit Office, other regulators and inspectors, or other authorities.



## 6. Using performance information

- 6.1 Effective improvement depends heavily on use of performance information which:
- provides an accurate, consistent and comparable means of measuring past performance, balanced across all areas and services for which a local authority is responsible;
  - supports the development of measurable targets for improvement;
  - allows past and planned performance to be communicated effectively to all key stakeholders, and facilitates their involvement in determining improvement priorities.
- 6.2 The new local government performance measurement framework is designed to help authorities meet all of these requirements, and local authorities should make full use of it in applying the WPI. There are several distinct strands to the new framework, as follows.

### National strategic measures

- 6.3 The national strategic measures will allow authorities to quantify and report their contribution to major all-Wales policy objectives. The 22 measures are set out in the Local Government (Best Value Performance Indicators) (Wales) Order 2005, supported by guidance and definitions issued by the Local Government Data Unit - Wales. Local authorities are thus under a legal duty to collect and report on all of these indicators, although no such indicators currently apply to National Park authorities. They should do so by including the data in their improvement plans (see chapter 7) and should also submit the data to the Local Government Data Unit. National strategic performance data and related targets will be subject to external audit.

## Core data sets

6.4 While the above strands of the improvement framework have specific and valuable uses, taken together they do not and cannot provide a comprehensive, balanced and comparable picture of an authority's performance and its capacity to improve. The ability to develop and communicate such a picture is nonetheless an essential improvement tool, and it is one of which the core data sets are a vital component.

6.5 When fully implemented, the core sets will:

- provide detailed and comparable information on the outcomes that have been achieved within and between the services that they cover, and on service availability and quality and the use of resources to support them;
- support authorities in explaining and accounting for their performance to stakeholders, and encourage their involvement in performance evaluation and priority-setting;
- be capable of disaggregation to reveal differential levels of provision for, and performance regarding, different community groups and diversity categories;
- be flexible and dynamic, capable of evolving over time to reflect local authorities' and others' experience of using them, without the need for any legislative change;
- be fully comparable over time and across Wales, allowing authorities readily to identify where they have room to improve and equally where they have scope to share effective practice.

6.6 The last of these features is crucial. Benchmarking and identification and sharing of best practice are among the most powerful drivers for improvement, drawing as they do on the collective experience and expertise of the wider local government family, and all authorities should take full advantage of that. No authority can participate fully in the WPI by acting in isolation, and doing so would normally constitute a material risk, both for the authority concerned and, insofar as it compromised the integrity of the system as a whole, at an all-Wales level.

6.7 Accordingly, all local authorities should:

- participate fully in the arrangements for the ownership, development, upgrading and updating of the core sets (for instance, by proposing and/or piloting new measures to cover new ways of working, amendments to existing measures to improve their usefulness, or deletions of measures that are felt no longer to be valuable or too difficult reliably to collect);
- collect data against each of the indicators, and contribute it to the common pool by submitting it to the Local Government Data Unit, which will pre-populate returns to facilitate this, where the data is drawn from existing sources;
- use the data appropriately, to account for and explain their activities to citizens and partners, and to engage them in the evaluation of progress and the setting of priorities. This could include, for instance, producing service-specific performance reports based on core set data, to inform discussion with partners and service-users.

6.8 Core set data will not routinely be audited, although authorities can request this if, for instance, particular core set indicators are used to measure major improvement priorities. They may also be audited if there are concerns about the robustness of data collection systems in a particular area, or in the authority as a whole as identified in the joint risk assessment.

### Shared outcome measures

6.9 The shared outcome measures will allow local authorities and partner organisations consistently to capture progress against objectives for which they are jointly responsible. It is already common practice to do so: the measures will simply set out a more defined and consistent resource which local authorities and their partners can use. The use of all of the shared outcome measures is not mandatory and authorities and their partners are free to draw on them as appropriate, although they are strongly encouraged to use them to provide a robust basis for measuring and assessing the outcomes of collaborative

working. The Assembly Government will conduct or commission work to develop these in the course of 2005-06, in close liaison with local government and other stakeholders.

### Survey measures

- 6.10 The survey measures will allow local authorities to gauge citizens' views and perceptions on a consistent basis. The measures will consist of standard survey questions across relevant service areas. Given the importance to improvement of engaging with citizens and reflecting their views, the survey measures should be a valuable and vital resource for local authorities to draw on; like the shared outcome measures, they will be developed during 2005-6.
- 6.11 Some survey measures may, in due course, be included in the core data sets (see above) where it is clear to all concerned (including practitioners) that their use by all authorities would generate valuable all-Wales information.

### Local indicators

- 6.12 The core sets aim to capture performance across all the service areas they cover. They are not though, fully comprehensive and cannot, in particular, measure delivery of particular local policies, priorities or projects to which authorities are committed, or objectives which do not lend themselves to quantifiable measurement. Without ways of measuring those too the performance measurement framework would be neither comprehensive nor balanced within each authority.
- 6.13 Authorities should thus continue to develop and use their own local performance measures which reflect their individual circumstances and aspirations, as well as supporting detailed management and operational decisions. They should also use non-quantitative assessment tools as and when appropriate. In some cases, such approaches may be relevant to and usable by other authorities too, and local authorities should thus again be willing to share their experiences of developing and using local indicators with their peers. There are, though, no specific statutory duties in this regard, and no requirement to contribute data relating to local measures to the all-Wales pool.

## 7. Communication and accountability

- 7.1 All of the preceding processes and activities must be properly and fully communicated to, and acted on by, relevant parties inside and outside each authority. This is essential to the WPI's core purpose of effective planning and accounting for improvement.
- 7.2 It would not be appropriate for the Welsh Assembly Government to set out in detail how a local authority should communicate the outcomes of WPI activity to internal and external audiences. However, it is possible to outline some of the basic purposes that such communication should serve, and how best to meet them.

### Audiences

- 7.3 There are several key groups with an interest in the outputs of WPI activity, and with whom authorities should communicate. They include at least the following, although this list is not necessarily exhaustive:
- 7.4 *Members and officers* of the authority need:
- to engage appropriately with the business and action plans to which they are contributing, or for which they are responsible for overseeing or scrutinising;
  - to understand the place of these business and action plans in the authority's wider policy objectives and strategic priorities;
  - to understand how these policy objectives and priorities have been determined, and to be fully aware of the evidence and reasoning behind them; and
  - to be aware of the scope, opportunities and obligations they have to contribute to these processes, and to be enabled and encouraged to participate.

**7.5** *Citizens, communities and other stakeholders need:*

- an accurate and accessible picture of the role and functions of the authority, its objectives and priorities, the evidence and reasoning behind these, and the authority's strategies for delivering them;
- an accurate and balanced overview of the recent, current and projected performance of the authority in relation to the above;
- full and straightforward access to detailed performance, assessment and evaluation information- including information on resources and capacity - should they want it;
- understanding of the processes and mechanisms through which objectives, priorities and strategies are determined and through which the authority is held to account for its performance; and
- understanding of the scope and opportunities that citizens and communities have to participate in these processes and contribute information to them.

**7.6** *Other local authorities need:*

- clear and comparable information on the authority's performance and intentions, to identify possible scope for learning and collaboration.

**7.7** *The Welsh Assembly Government and regulators need:*

- the full range of information about an authority's performance, plans and intentions, to hold the authority to account.

## **Communicating improvement information**

- 7.8** Meeting all of those needs in a single 'improvement plan' - as the previous guidance required - is clearly difficult and runs the risk of meeting no-one's needs well by trying to accommodate them all to an extent. In particular, there is a significant time lag between business and action plans becoming available at or before the start of a reporting year, and retrospective performance data becoming available several months into it. The aim should rather be to

communicate relevant information to those that need it as soon as it is reliably available.

- 7.9 That does not mean that WPI information should be communicated piecemeal. There is an equal need for the overall picture to remain coherent and readily accessible. Therefore, and subject to the National Assembly for Wales making the required legislation, this guidance introduces a new and more flexible approach to publishing WPI-related information.
- 7.10 There are two main stages in this approach, each relating to key dates in the planning and reporting cycle. The first stage occurs when the business planning and annual assessment process is complete, around or shortly after the start of the reporting year. Authorities will wish to disseminate the outcomes of those processes widely, both internally and to key external partners. Those outcomes would normally consist of:
- a summary of the joint risk assessment conducted in the previous reporting year, and which has informed the process of business planning;
  - a summary of action and/or business plans agreed for delivery in the current reporting year;
  - performance targets (including targets for efficiency gains) agreed for delivery in the current reporting year; and
  - details of where and how to obtain further and more detailed information.
- 7.11 The second stage arises when final performance data becomes available in the third quarter of the reporting year. It then becomes possible for the authority to collate retrospective information setting out its performance in the previous year and the key risks and challenges that it faces, and to communicate this to the full range of internal and external audiences set out above.
- 7.12 Formally, the information available at this second stage constitutes the improvement plan which section 6 of the 1999 Act obliges each authority to publish, and the following guidance on the content and publication of plans has statutory force under section 6(4) of the Act.

To ensure consistency in reporting and accountability, all improvement plans must contain:

- a summary of the authority's long-term strategic objectives, taken from the community strategy or other relevant sources;
- a commentary on performance in the previous reporting year, highlighting progress towards key objectives and the extent to which key risks have been addressed. This should be supported by outturn performance information for the previous reporting year, including:
  - audited data for all national strategic indicators, along with current and (if relevant) future years' targets;
  - data for all policy agreement indicators which are not national strategic indicators (ie policy agreement local measures), and a reiteration of policy agreement milestones and targets;
  - data for all other (core set, shared outcome, local or survey) indicators which illustrate progress towards the authority's key objectives and/or alleviation of key risks. Where such progress could reasonably be quantified, the plan should also set out targets for the relevant indicators. There is, though, **no** obligation to publish performance data for all indicators: in line with chapter 6, the duty is to use such information in a value-added way.
- a summary of the key issues for improvement that will be delivered in future years, drawing on the current or most recent Joint Risk Assessment (whether or not the JRA is formally complete at the time the plan is prepared).
- full details of where to obtain further information, including in particular business planning and other information disseminated at the first stage (see above), the relationship manager's annual letter (see chapter 8) and other regulators' and inspectors' reports. Where information is published on the Internet, authorities should use hyperlinks to allow ready access to related information; they may also wish to consider issuing a 'publication scheme' providing links to all improvement-related information.

- 7.13 Improvement plans must be approved by the full Council before publication: doing so cannot be the sole responsibility of an Executive or Board.
- 7.14 Subject to the National Assembly for Wales making the appropriate legislation, the statutory publication deadline for the improvement plan will be **31 October**, to allow for the inclusion of audited performance data and the outcome of the joint risk assessment. Authorities are, however, free to publish at any point prior to that date if the information is available and the plan has been approved.

## Publication

- 7.15 Section 6 of the 1999 Act creates an obligation on local authorities to publish their improvement plans. In strict legal terms, to publish something means only to make it available to the public. Neither the Act nor this guidance requires local authorities to publish information in a particular way or in a particular format. The only duty is to publish the full range of information as above and in a way which allows all of it readily to be obtained. Authorities should thus publish in a way that best suits the needs of the audience at whom the information is aimed, which would normally include both hard-copy and electronic publication.
- 7.16 Local authorities should naturally adhere to the terms of their approved Welsh language schemes in publishing their improvement plans. They should publish in both Welsh and English unless their language scheme permits monolingual publication only.

## Wider public engagement

- 7.17 Much of the above information will necessarily be detailed, lengthy and technical. While it will be of close interest to local authorities and their partners, it is unlikely to attract a wide readership in the communities that a local authority serves. Local authorities should thus publish a summary of their improvement plan, to facilitate wider engagement with those it serves and to stimulate dialogue on the

authority's priorities and progress towards meeting them. The summary should be published at the same time as, or no later than a month after, the main plan.

- 7.18 The detailed content of the summary is for each authority to decide, but it should be fair and balanced, and should provide a general readership with:
- an overview of the authority's priorities and objectives;
  - a summary of how far they have been met in the past year;
  - a summary of improvement action planned or undertaken in the current year;
  - details of how to obtain further information (for instance, copies of the full plan), how to provide any comments on the authority's performance, and how to influence the planning and delivery of an authority's services more generally.
- 7.19 The summary should be published in hard copy and on the Internet, in Welsh and in English, subject to the terms of each authority's Welsh language scheme. Authorities should also consider making it available in other languages, where these are widely spoken in their areas, and in formats such as Braille, large print and audio tape, which are accessible to those with sensory disabilities. Authorities are reminded of their duties under Part III of the Disability Discrimination Act 1995 in this area.
- 7.20 Authorities should ensure that the citizens and communities they serve are aware of the existence of the plan and summary, and have ample opportunity to obtain copies. They should also actively seek feedback and comments on the proposals they contain. Steps authorities might consider taking include:
- publicising the plan and summary in a local newspaper, or authority-provided newsletter (if any);
  - placing copies in local libraries and ensuring library staff are able to advise citizens of how to obtain more detailed information about their local authority's performance;
  - making copies available at the authority's offices;

- sending copies to town and community councils, partner organisations and community groups.

## Flexibility

**7.21** The essence of this chapter is concerned with effective communication and accountability, not with prescribing particular means of doing so. Each authority is best placed to judge how exactly to communicate and account for its performance and its intentions, and this guidance deliberately leaves open a number of choices and possible approaches. For instance, local authorities are free, if they wish, to:

- publish improvement plans which cover a longer period than one year, provided that they are updated annually;
- publish at any point prior to the statutory deadline given above, the test being only that the information published is reliable;
- use any title or brand for the improvement plan and the public summary, provided that the text makes clear that it discharges the relevant statutory duty<sup>3</sup>;
- include the content of the improvement plan in any other document, such as the authority's corporate plan, or combine it with such a plan;
- include the public summary in any other publication, such as an authority-issued newsletter.

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<sup>3</sup> Inclusion of text such as, "This document is XYZ Council's improvement plan, prepared under section 6 of the Local Government Act 1999 and related guidance issued by the Welsh Assembly Government" would fully meet this requirement.



## 8. Regulation, inspection and intervention

- 8.1 It has always been a principle of the Wales Programme for Improvement that regulation should support improvement. It should not simply highlight where action is required, but should be part of the solution, not just part of the identification of the problem. That remains the case.
- 8.2 In addition, the Local Government Act 1999 places a requirement on those inspectorates named specifically in the legislation (Social Services Inspectorate for Wales, Estyn and the Benefit Fraud Inspectorate) to work together to co-ordinate inspection activity in support of continuous improvement. The Wales Programme for Improvement widens that responsibility to co-ordinate such activity through the establishment of Relationship Managers in each local authority, who are responsible for the identifying and co-ordinating effectively, and in so far as they are able, all regulation and inspection activity.

### Principles of R&I

- 8.3 Separate and more detailed guidance will be issued on the conduct of regulation and inspection to support the WPI. However, that activity should in all cases conform to the following set of principles:
- A shared commitment to supporting service improvement. Regulators and inspectorates aim to add value, identifying and spreading solutions and best practice rather than merely confirming an existing understanding of good or poor performance;
  - Transparency. Regulators and Inspectorates should make known to local authorities the methodologies they will use to assess

performance and make judgements on improvement. They should, as far as practical, attempt to work to shared methodologies;

- Independence and objectivity. Regulators and inspectorates need to be able freely and fairly to provide objective and authoritative assessments, and to generate public assurance on the subjects of their work;
- Emphasis on the economy, efficiency and effectiveness with which policies have been implemented and objectives pursued. Regulators and inspectorates respect the right of local authorities to set objectives, take policy decisions, and submit themselves to public and democratic accountability for them. Only where those decisions are perverse would a regulator have grounds to formally challenge them;
- Policy Development. Regulators and inspectorates use the findings of their work to inform the development and effective administration of national and local policy.
- Proportionality. The level and extent of regulation and inspection should normally be proportionate to the risks involved and to the effect such activity would have on the audited body.
- A focus on citizens and service-users rather than on service areas or providers. Regulation and inspection bodies should aim to address the extent to which the needs of service-users have been or could be met, regardless of the organisational responsibility for doing so. They should support accountability by informing the service user of the performance of local authorities, in both service-specific and corporate organisational terms.
- They should seek, as far as possible, to co-ordinate and integrate their work, which has the added benefit of minimising the risk of duplication and confusion.

## The role of R&I

- 8.4 The previous sections of this guidance describe the elements of the WPI processes to which regulators and inspectorates should contribute - in particular, to the joint risk assessment and, as appropriate, to the

conduct of reviews. Local authorities are able to request the support and advice of R&I bodies at any time.

- 8.5 In addition there are, two further areas where R&I bodies should play a formal role.

### *R&I and the improvement plan*

- 8.6 As noted in chapter 7, the later formulation and publication of the improvement plan allows it to include audited data and the outcome of the joint risk assessment. The aim should be for that in turn to lead to a common view on priorities and scope for improvement. Formally, regulators' and inspectorates' views on the improvement plan will be set out in the relationship manager's annual letter.
- 8.7 The Wales Audit Office's audit of improvement plans will, in particular,
- comment on the overall level of improvement attained;
  - audit national strategic performance data for inclusion in the improvement plan;
  - review and comment on the robustness of the joint risk assessment;
  - review the authority's wider arrangements for data collection and use, and the overall adequacy of performance information;
  - assess the authority's success in engaging with partners and citizens in setting priorities and accounting for performance.
- 8.8 This is in addition to regulatory and inspection work on risk assessments and reviews, which should be reflected in the improvement plan at the appropriate points. In cases where it is not, or where an authority's view of risk differs, the WAO has the right to note this in the annual letter.
- 8.9 Authorities should also use audited performance data, and regulators' views as to risk, as appropriate in the improvement plan summary. They are not required to submit that summary to audit separately, although as it provides evidence of the degree of public engagement, the WAO will nonetheless wish to review it after publication.

## *The regulatory plan*

- 8.10 The Wales Programme for Improvement continues to require the development of an annual Regulatory Plan. This should set out on an annual basis all elements of regulation and inspection that an authority is likely to face in the year ahead. The Relationship Manager will be responsible for the co-ordination of this plan, and will need to ensure that, as far as is possible, the plan clearly identifies all regulatory and inspection activity that will be undertaken. A Regulatory Calendar, which should be reviewed at intervals deemed appropriate by the Relationship Manager and the Local Authority, will be produced to track all regulation and inspection set out in the Regulatory Plan activity on a quarterly basis.
- 8.11 Some of this activity will flow directly from the agreed judgements on improvement needs and how that will be supported. Equally some of the activity will flow from the regulatory/inspection activity of inspectorates that either have a separate statutory authority to undertake inspection (for example Estyn and Social Services Inspectorate Wales), or who establish a cycle of inspection within the Wales Programme for Improvement where the assessment of service performance/risk by the local authority does not fulfil the requirement to inspect periodically. The regulatory plan should therefore take all of this activity into account, and attempt to establish a programme of activity that meets the needs of the authority and the regulators to provide public assurance and drive forward service improvements. It is clear there has to be a balance between the overall cost of regulation and inspection, and the need to ensure that those resources are not being targeted at services that are generally performing well and to an acceptable standard from users' and regulators' perspectives. In that sense it is clearly essential to recognise that the organisation providing the service is accountable both for the quality of the service, and the assessment of its future risk, and that the regulatory plan places appropriate assurance on that accountability and the ability of the authority to demonstrate improvement effectively.

- 8.12 The regulatory plan should also conform to the principle (reiterated in *Making the Connections*) that the regulatory burden on public authorities should be reduced where possible, but at the same time made more effective. Regulatory plans should thus seek to co-ordinate regulatory effort to minimise the burden and avoid duplication at the same time as maximising the benefits to those delivering and using services. Local authorities should respond to already-established programmes of regulation to ensure their assessment of performance is undertaken at a time when the regulatory programme can best support this.
- 8.13 This principle will require strong and effective relationship management, over the short, medium and long-term. This does not negate the need for programmed regulation and inspection to take place, but attempts to put in place a programme of regulation that responds to the principle that the service deliverer is primarily responsible for the assessment of service delivery, supported by a regulatory regime providing independent assurance and effective improvement support. The new Performance Measurement Framework, when fully in place in 2006 - 2007, will be vitally important in supporting these judgements by both authorities and regulators, but a degree of pragmatism from both parties will need to inform judgements during 2005-2006.

## Intervention

- 8.14 The Wales Programme for Improvement will continue to support the ability of the Welsh Assembly Government to intervene if it judges that a level of intervention is required to safeguard the delivery of services or to support the local authority corporately in delivering front-line services. Such intervention will continue to be governed by a Protocol that sets out clearly the steps that will be taken prior to consideration of formal intervention, which will remain an option of last resort to be taken only after full consultation with all interested parties.

8.15 In the same vein regulators retain statutory powers, and may exercise these if they deem those appropriate to either intervene directly to safeguard services or to recommend intervention by another party. These powers are not diminished by the Wales Programme for Improvement, but their use is set in the context of the Protocol that sets out both individual and collective action that will be taken to support improvement action in local authorities.