



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

# Annual Improvement Report

## Vale of Glamorgan 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. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the National Assembly.

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

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

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

This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by Steve Barry and Helen Keatley, under the direction of Jane Holowina.

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# Summary report and proposals for improvement

- 1 Each year, the Auditor General must report on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement in delivering their services. This report examines the Vale of Glamorgan County Borough Council's (the Council) delivery and evaluation of services in 2012-13. It draws on work undertaken on behalf of the Auditor General by the staff of the Wales Audit Office and by the relevant Welsh inspectorates. The report covers the Council's delivery and evaluation of services in relation to 2012-13 and its planning of improvement for 2013-14. Taking this into account, the Auditor General draws a conclusion about whether he believes that the Council will make arrangements to secure continuous improvement for 2014-15.
  - the Care and Social Services Inspectorate Wales (CSSIW) annual review and evaluation indicates the Council has appropriate plans in place to address the issues it faces in social care;
  - Estyn judged the Council's education service and its capacity to improve as "adequate";
  - there have been improvements in attendance at secondary schools although the objective of top quartile performance was not achieved;
  - the Council remains amongst the poorest performers in Wales for the delivery of disabled facilities grant and current target setting arrangements mean this position is unlikely to improve;
- 2 We found that in 2012-13, the Council achieved most of its objectives and was focussed on addressing areas of weakness, but should make greater use of external benchmarking in relation to internal targets and reporting performance.
  - the Council is improving the proportion of its housing stock that meets the Welsh Housing Quality Standard (WHQS);
  - the Council's lacks an effective arrangement for assessing the performance of its leisure service;
- 3 We arrived at this conclusion because:
  - references to achievement of a target as a means of assessing success did not always provide a balanced picture of performance;
  - the Council planned improvements in all areas where national data indicated a potential weakness;
  - the Council's performance in administering Housing Benefit has improved in some areas, such as speed of processing new claims but other aspects - such as recovering overpayments - have deteriorated; and
  - the Council is not fully complying with its Welsh Language scheme but is introducing initiatives to promote and support the use of the Welsh language.

4 We also found that the Council complied with Welsh Government publication requirements although its methods of data verification for the Leisure Services contractor are not as strong as for its own services. We arrived at this conclusion because:

- the Council's performance reporting for 2012-13 complies with Welsh Government guidance; and
- the Council's current systems to analyse performance data are generally sound, but they are inconsistently applied for outsourced services.

5 We found that, for the period 2013-14, the Council has effective plans for managing the financial challenges it faces and has developed a plan intended to prepare its workforce for the future:

- the Council's Medium Term Financial Strategy 2013-2017 effectively sets out how the Council intends to achieve its planned savings; and
- the Council has restructured many of its management roles and taken action to embed workforce planning throughout the organisation but it is too soon to assess its impact.

6 Taking the above into account, and from the evidence provided, the Auditor General concludes that the Council generally has demonstrated strengths in driving improvement across most services and responds positively to challenge. However, significant improvement is required in the delivery of disabled facilities grants (DFG) and in managing the leisure contract.

## Proposals for improvement

P1	Improve performance reporting by clearly explaining the: <ul style="list-style-type: none"><li>• benefits arising from the achievement of objectives; and</li><li>• issues arising from not achieving objectives and the action being taken to secure improvement.</li></ul>
P2	Review target setting methods as a means of driving improvement to ensure they achieve the level of service expected by members.
P3	Improve the management of the Leisure contract by: <ul style="list-style-type: none"><li>• refining the contract management regime to ensure that it formally and systematically tests the extent to which contracts are being monitored effectively paying particular attention to the Leisure contract;</li><li>• undertaking a review to determine the appropriate level and skills mix of resources required to effectively monitor the Leisure contract;</li><li>• ensuring the standard definitions for performance indicators are being utilised and data is recorded accordingly paying particular attention to the Leisure contract; and</li><li>• training members to ensure that an effective level of challenge is presented to officers.</li></ul>

# Detailed report

## Introduction

- 7 Under the Local Government (Wales) Measure 2009 (the Measure), the Auditor General must report each year on how well Welsh councils plan to improve their services<sup>1</sup>. Including contributions from Welsh inspectorates, Estyn (for education), the Care and Social Services Inspectorate for Wales (the CSSIW), and the Welsh Language Commissioner, this report focuses on what the Vale of Glamorgan County Borough Council (the Council) is trying to achieve and how it is going about it. It also includes the Council's own self-assessment on what progress it considers it has made since the Auditor General published his last annual improvement report on the Vale of Glamorgan Council early in 2013.
- 8 We gather our evidence from our reviews of the Council's performance during the year and by shared knowledge with other Welsh inspectorates. We did not complete a full review of all the Council's arrangements or services this year.
- 9 The report will finally conclude whether or not the Auditor General believes that the Council is likely to improve its arrangements and services for 2014-15.
- 10 Given the wide range of services provided and the challenges facing the Council, it would be unusual if we did not find things that can be improved. The Auditor General is able to take action, depending on the seriousness of the problems to:
- make proposals for improvement – if proposals are made to the Council, we would expect them to do something about them and we will follow up what happens within an agreed timetable;
  - make more formal recommendations for improvement – if a formal recommendation is made it is a more serious situation, and the Council must prepare a response to that recommendation within 30 working days;
  - for even more seriously fundamental issues, he can conduct a special inspection and publish a report with recommendations; and
  - as a last recourse, to recommend to Ministers of the Welsh Government that they intervene in some way.
- 11 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.

<sup>1</sup> Appendix 1 provides more information about the Auditor General's powers and duties under the Measure.

## The Council achieved most of its objectives and was focussed on addressing areas of weakness but should make greater use of external benchmarking in relation to internal targets and reporting performance

### References to achievement of a target as a means of assessing success did not always provide a balanced picture of performance

- 12 The Council published '*The Vale of Glamorgan Improvement Plan 2*' (the Report) in October 2013. This provided the Council's view of its progress in respect of its eight improvement objectives for 2012-13<sup>2</sup>. We reviewed the Report to assess whether it provided a fair and balanced picture of performance and complied with Welsh Government guidance.
- 13 In the overview section the Report concludes that the Council achieved five of its objectives in full, partially met two and failed to achieve one. Performance reporting in the future can be improved by more clearly the benefits arising from the achievement of objectives, the issues arising from not achieving objectives and action being taken.
- 14 For example, with regard to school attendance a clear objective to reach "top quartile" performance has been set. The report accurately concludes this has not been achieved indicating the Council was ranked 7th in Wales and saying to achieve top quartile it needed to be ranked 5th. There is also an explanation of what it needs to do if it is to achieve its objective. Later in the report the Council includes data in a table which includes a symbol which suggests it has achieved its objective.

This presents some confusion and appears to suggest that the Council considers the position to be satisfactory, despite not meeting its target.

- 15 The Report also states that the objective for DFG has been achieved because the target for the average time taken to deliver a grant has been met. It also says that the Vale of Glamorgan is identified as "the most improved authority in Wales for delivery of DFGs". This does not provide a balanced picture of performance because despite meeting its target the Council remained in the bottom quartile of performers in Wales, and its ranking amongst the 22 Welsh Councils slipped from 17th in 2011-12 to 18th in 2012-13.

### The Council planned improvements in all areas where national data indicated a potential weakness

- 16 The Welsh Government requires all councils to report on a common set of indicators to enable a comparison of performance in key service areas across Wales. Thirty National Strategic Indicators (NSIs) have been set that cover the Welsh Government's strategic priorities.
- 17 In overall terms the Council's NSI performance varies significantly within some service areas – some indicators show it to be one of the top ranking performers, whilst others, for the same service area, show it to be ranked amongst the weakest performers. For example in 2012-13:

<sup>2</sup> Appendix 4 lists the eight improvement objectives for 2012-13.



- of the eight NSIs relating to child social care the Council was ranked as the best performer in Wales for four but was amongst the weakest performers for three;
- of the four NSIs relating to adult social care the Council was ranked in the top five for one but was amongst the weakest performers for two;
- of the eight NSIs relating to education the Council was ranked in the top five for five but was amongst the weakest performers for three;
- the Council was ranked 8th and 15th for the two waste management NSIs; and
- the Council was in the bottom quartile for the delivery of DFG and for taking action to return long term vacant private sector property to occupation.

18 In Wales there are 14 Public Accountability Measures (PAMs) which have been chosen by the Welsh Government because they reflect issues of importance such as support for carers, school attendance and the condition of highways. These again show a wide variation of performance in service areas in 2012-13:

- of five PAMs relating to child social care the Council was ranked amongst the best four but ranked amongst the weakest for one;
- of the three PAMs relating to adult social care the Council ranked in the top five for two but was the weakest for one;

- of the three PAMs relating to education the Council ranked 7th for two indicators of school attendance and 13th for Key Stage 3 assessments; and
- the Council was amongst the weakest performers for the number of visits to sports and leisure centres; the level of highways and relevant land inspected of an acceptable standard and for the percentage of food hygiene establishments which were broadly compliant with food hygiene standards.

19 Having regard to both NSI and PAM data we would therefore expect the Council to understand the reason for weak comparative performance, determine its priorities with regard to needs and resources available and put arrangements in place to take any necessary improvement action in the following areas:

- Child social care: the initial assessment of children and the stability of looked after children placements;
- Adult social care: the comparatively high rate of older people (aged 65 and over) and adults supported in the community as well as the rate of delayed transfer of care for social reasons;
- Education: the provision of final statements of special education needs and the availability of teacher assessments in Welsh at the end of Key Stage 3; and

- DFG; Private sector empty properties; Use of sports facilities and leisure centres; Food hygiene assessments and the cleanliness of highways.

20 We recognise that given the reduction in resources faced by the Council that it cannot give priority to addressing all of these issues. However, whilst top priority may not be given to some issues, at service level planning is taking account of the need to resolve potential weaknesses:

- CSSIW consider the Council to have plans in place to address the issues in child and adult social care.
- The Council has identified school attendance as an improvement objective but has not achieved its aim of achieving top quartile performance. Education service plans include action intended to improve the provision of final statements of special education need.
- Although an improvement priority for a number of years, DFG performance remains comparatively poor with no reliable plans in place to substantially improve performance.
- Service Plans contain actions to reduce the number of empty properties in the private sector; to increase the number and effectiveness of food hygiene assessments; and to improve the cleanliness of highways.

### The Care and Social Services Inspectorate Wales annual review and evaluation indicates the Council has appropriate plans in place to address the issues it faces in social care

21 Each year, the Council's Director of Social Services drafts a report which provides an update on how well they consider the Adults' and Children's services to be performing. The CCISW subsequently report their views on the Council's own self-assessment (<http://cssiw.org.uk/our-reports/local-authority-report/2013/vog-annual-evaluation/?lang=en>).

22 The CSSIW reported that the Council has recognised where it has issues with performance and that for child social care the Council had adopted a Children and Young People's Commissioning Strategy setting out how the social care needs of children, young people and their families will be met within the resources available to the Council during the period 2013 to 2018. The number of looked after children and re-referrals has reduced as a result of a range of actions by the Council.

23 The Council also has a strategy in place to reduce high expenditure on residential care for children and young people by focusing on foster care, and placements for children with challenging behaviour. CSSIW identified the need to improve placement stability for looked after children and to improve opportunities for young people regarding employment, education or training. CSSIW propose to undertake a national review of provision for looked after children.

- 24 The Council has in place commissioning strategy for older people which identifies how the social care needs of older people will be met within the resources available to the Council during the period 2011 to 2018. CSSIW noted that there had been an increase in the number of people with complex needs being cared for at home, rather than in residential homes or with nursing services. The Council also aims to develop an extra care scheme for older people that will enable round the clock support and packages of community care.
- 25 CSSIW also considered the Council to have taken action to reduce the incidence of delayed transfers of care from hospital, although the performance data shows that the number of delays remain higher than the Welsh average. CSSIW plans to follow up its assessment and review the management of delayed transfer of care.
- 26 In conclusion, CSSIW considered that the Council has strong forward planning with clear priorities and objectives; that it is continuing to work with partners to formulate an integrated approach to service delivery and is leading on a number of initiatives to integrate with the Health sector.

### Estyn judged the Council's education service and its capacity to improve as "adequate"

- 27 Estyn<sup>3</sup> inspected the Council in May 2013. Its inspection report was published in September 2013 (<http://www.estyn.gov.uk/english/provider/673LAESCYP/>)
- 28 The performance of the Council was judged by Estyn as adequate because:
- the performance of schools in the Foundation Phase and key stage 4, when taking free school meals into account, is at or above the average for Wales;
  - attendance of pupils in primary and secondary schools is around the Wales average when compared to that of similar schools on the Welsh Government's free-school-meal benchmarks;
  - the rates of fixed-term exclusions in primary and secondary schools are amongst the lowest in Wales;
  - the percentage of learners remaining in education post-16 is average when the low level of deprivation is taken into account;
  - support for additional learning needs is good; and
  - the Council has low numbers of surplus places and has suitable plans in place to reduce surplus places further.

<sup>3</sup> Estyn is the office of Her Majesty's Chief Inspector of Education and Training in Wales, established under the Education Act 1992. Its role is to inspect the quality and standards in education and training providers in Wales.

29 However:

- the performance of schools at key stages 2 and 3 is below the average for Wales, taking free school meals into account;
- the level of challenge experienced by schools has been inconsistent the Council or regional consortia have not identified a few underperforming schools quickly enough;
- one primary school has remained in special measures for two years and three secondary schools have been placed in informal monitoring categories by Estyn over the last 12 months; and
- the arrangements for monitoring and evaluating wellbeing are not fully developed.

30 Estyn also judged the Council's 'Capacity to improve' as 'adequate'. The report included six recommendations for the Council, to:

- raise standards in schools, particularly in key stage 2 and key stage 3;
- improve the rigour and the level of challenge provided to schools about their performance and quality of leadership;
- use the full powers available to the Council to improve schools that are underperforming;
- make sure that planning for improvement is thorough and consistent throughout all services;

- ensure that robust systems are in place for evaluating the outcomes of initiatives and that they demonstrate good value-for-money; and
- strengthen arrangements for monitoring and evaluating the wellbeing of children and young people.

31 Estyn is of the opinion that the Council falls into the category of follow-up activity and will require monitoring. Estyn is to determine the date, focus and nature of this monitoring.

**There have been improvements in attendance at secondary schools although the objective of top quartile performance was not achieved**

32 In 2010 the Council recorded an increase in the number of pupils not attending secondary school, as well as an increase in the average number of days lost to exclusions. As a consequence the Council adopted the objective "To increase attendance at secondary schools to achieve the Welsh top quartile performance of 2011-12". The Council exceeded the target it had set for the indicator but failed to achieve the ranking it had aimed for.

33 In its report the Council says that "Overall attendance at secondary schools in the Vale is an improving picture, although the target of being in the top quartile hasn't been achieved". If the Council was seeking to become one of the top performers in Wales in 2012-13 then its method of setting its target was flawed. The Report

correctly identifies that to ensure top quartile performance the Council needs to be ranked 5th, or higher in Wales in any particular year. However, the Council set its target of 92 per cent for 2012-13 making reference to the performance of other Councils in 2011-12. To achieve a ranking of 5th using this method assumes the performance of other Councils will either worsen or remain the same. In practice other Councils have also improved so despite the initiatives adopted by the Council it has not sufficiently improved its ranking. The top performers in 2012-13 were achieving between 93 per cent and 94 per cent attendance at secondary schools – if the Council is to adopt a target then it would be an advantage to aim for the best performance if it wishes to secure an improved ranking rather than rely on the performance of others deteriorating.

- 34 The Council continues to take action to improve school attendance including establishing a monthly Attendance Forum to monitor school's attendance figures; providing support by Education Welfare Service to schools with acute attendance problems and changes to systems and practice, such as allowing study leave.
- 35 Schools have been provided with training and guidance from the Educational Welfare Service. They have also been encouraged to develop action plans and to share ideas and successful approaches through system leaders.

- 36 The Council recognises that good attendance practice begins at primary school level so action is also taken to encourage primary schools with potential attendance problems to develop action plans to mitigate any adverse developments. Trends indicate that attendance in primary schools has improved from around 94 per cent in 2010-11 to 94.5 per cent in 2012-13 when it was ranked 7th in Wales. Top performers are achieving from 94.6 per cent to 95 per cent so although the Council's performance is close to the highest achievers it will need to assess the level of improvement necessary to guarantee a "top" quartile position.

**The Council recognises poor performance for issuing statements of special education need within 26 weeks and has plans for improvement**

- 37 A statement of special education need is a formal document detailing a child's learning difficulties and the help that will be given. The statement is intended to ensure a child gets the help that he or she needs when a school is unable to meet such needs on its own. Whilst only a minority of pupils are likely to require such statements they are fundamental to ensuring that vulnerable pupils get the help they need.
- 38 The data in **Exhibit 1** indicates that the Council was amongst the poorest performers for the percentage of final statements of special education needs issued within 26 weeks. Whilst this data is included in the Council's performance report it does not

explain that it has recognised this problem and improvement action is planned by the education service. The term “exceptions” is included in the table and covers those situations where the Council may be relying on another organisation (such as health) to provide information required for production of the statement. The table also includes information for cases where exceptions are excluded, identifying the performance directly attributable to the Council.

**The Council remains amongst the poorest performers in Wales for the delivery of disabled facilities grant and current target setting arrangements mean this position is unlikely to improve**

39 In recognition of its poor performance compared to the rest of Wales the Council set an objective to reduce the time taken to deliver DFG. In setting its target for 2012-13 the Council used the average time taken across Wales in 2010-11(387 days) as its reference point. In its assessment of its performance in 2012-13 the Council says that “Waiting times for DFGs have continually reduced over the past four years.

**Exhibit 1 - Final statements of special education need issued within 26 weeks**

The Council was amongst the poorest performers for the percentage of final statements of special education needs issued within 26 weeks

	2011-12		2012-13	
	Performance	Wales Ranking	Performance	Wales Ranking
Final statements of special education need issued within 26 weeks (including exceptions)	52.4%	19th of 22	47.8%	20th of 22
Final statements of special education need issued within 26 weeks (excluding exceptions)	91.7%	16th of 22	95.7%	17th of 22

*Welsh Government statistics National Strategic Indicators EDU/015a and EDU/015b*

The Welsh Government's Local Authority Service Performance report (2011/12) identified the Vale of Glamorgan as the most improved authority in Wales for delivery of DFGs".

- 40 This does not present a balanced picture of the Council's performance, it does not report that it remains amongst the worst performers in Wales and its ranking fell from 17th in Wales in 2011-12 to 18th in Wales in 2012-13. Furthermore the narrative in the Council's report is confusing. In the Overview Report on page 12 the Council says that its target (for 2012-13) was to achieve the Welsh average (for 2010-11) of 386 days as a minimum. On page 12 it also says by achieving 346 days it met its improvement objective. However the table on page 15 of the same report includes a column which indicates a target of 326 days for 2012-13, and actual performance of 346 days – in which case the target has not been achieved.
- 41 The Council has used the average performance in Wales in the previous year as the basis for setting targets in this service area for a number of years. The consequence of this has been that the Council, whilst achieving a reduction in the time taken, has not kept pace with the rate of improvement achieved by others.
- 42 The actual average in Wales for 2012-13 was 271 days so the method adopted by the Council meant that its actual performance was 75 days worse than the average in Wales that year.

- 43 The top quartile performers in 2012-13 achieved averages ranging from 153 days to 236 days, the majority processing significantly more grants than the Council. For example Conwy delivered 149 grants in an average of 153 days compared to the Council which delivered 93 grants in an average of 346 days. The Council has set a target of 326 days for 2013-14, the average achieved in Wales in 2012-13.
- 44 The Council has been seeking to improve performance for a number of years but has failed to significantly improve its ranking compared to the best performers in Wales. It is continuing to prioritise the delivery of DFG but needs to fundamentally change its approach to improvement if it is to move from the bottom quartile in Wales. Given continued poor performance and it being unlikely that there will be substantive improvement we propose to inspect this service in 2014-15.

### The Council is improving the proportion of its housing stock that meets the Welsh Housing Quality Standard

- 45 The Council must ensure that where practicable, its housing stock of almost 4000 properties meets the WHQS<sup>4</sup>. It has set an objective to "increase the proportion of the Council's housing stock that meet the Wales Housing Quality Standard by 31 March 2014."

4 The Welsh Housing Quality Standard has been set by the Welsh Government. All social landlords in Wales are expected to ensure their homes meet this standard which covers the installation and improving of four core elements – kitchen, bathroom, heating systems including a boiler and electrical systems and the quality of the environment around a home.

46 The Council has adopted an improvement programme covering the period 2012 to 2016 which will involve expenditure of £82 million to bring properties up to the WHQS. In 2011 the Council had set itself a target of 10 per cent of stock meeting the WHQS by 2012-13. This was probably a reasonable target given that the Council had to undertake surveys, appoint contractors and commence its programme. The Council has reported that 20 per cent of stock met the standard by the end of 2012-13 and has established regular reporting mechanisms to monitor progress and obtain tenants views about the implementation of the programme.

- the arrangements in place to monitor the progress made by the contract are not effective;
- the standard definitions in the contract were not being followed which has resulted in lower usage figures being reported; and
- contract monitoring is not regular, nor robust.

49 The Council is in the process of improving its arrangements and implementing the proposals for improvement in our report.

### The Council lacks an effective arrangement for assessing the performance of its leisure service

47 In August 2012 the Council entered into a 10 year partnership with Parkwood Leisure Limited to run Council facilities in Barry, Penarth, Cowbridge and Llantwit Major, the Council retaining ownership of the buildings and facilities. Parkwood Leisure is a highly experienced provider of leisure services and the Council expects the partnership to ensure around £3 million worth of investment can be made to refurbish buildings and that the range of activity programmes would be increased.

48 In June 2014 we published our findings following a review of the Council's contract management arrangements. This report concluded that with regard to the Leisure Services contract:

### The Council's performance in administering Housing Benefit has improved in some areas, such as speed of processing new claims but other aspects - such as recovering overpayments show a slight decline in performance

50 We carried out a review of the Council's performance to manage and process Housing Benefit claims and found that the caseload in the Vale of Glamorgan has remained about the same reducing from 12,150 claimants in May 2012 to 12,130 claimants in February 2013.

51 We reviewed the time the Council takes to process various aspects of Housing Benefit claims and found a mixed picture, with both satisfactory levels of service, as well as areas which require improvements.



52 Since last year, the following improvements have occurred:

- The average time taken to process new claims has improved from 17 days in 2011-12 to 15 days in 2012-13. This is substantially better than the Welsh average of 20 days in 2012-13.
- The average time taken to process cases where changes of circumstances have occurred has remained constant at six days in 2011-12 and 2012-13. This is the same as the Welsh average.
- There are no claims outstanding over 50 days in 2012-13 compared to one per cent in 2011-12. Performance remains much better than the Welsh average of four per cent in 2012-13.
- Accuracy in processing claims remains the same at 99 per cent in both 2011-12 and 2012-13 and is better than the Welsh average of 94 per cent in 2012-13.
- The percentage of 'in year' overpayments recovered increased from 86 per cent in 2011-12 to 94 per cent in 2012-13. This is significantly higher than the Welsh average performance of 72 per cent in 2012-13.

53 However, some areas require improvement:

- The percentage of new claims decided within 14 days has declined, falling from 95 per cent in 2011-12 to 93 per cent in 2012-13 although this is still above the Welsh average of 88 per cent in 2012-13.
- The recovery of previous year's overpayments has declined, falling from 41 per cent in 2011-12 to 36 per cent in 2012-13. However, this remains higher than the Welsh average of 32 per cent in 2012-13.
- The number of fraud investigations remains the same over the last two-year period, at eight per 1,000 caseload. The number of successful sanctions being applied has also remained the same, at two per 1,000 caseload in both 2011-12 and 2012-13. This performance is below the Welsh average of eight per 1,000 caseload in 2012-13.
- The number of appeals has fallen from 100 in 2011-12 to 76 in 2012-13. In 2012 13, the Council took an average of 48 days to process these appeals (no data for 2011-12). This remains longer than the Welsh average of 38 days in 2012-13. The percentage of appeals submitted to the Appeals Service within four weeks has declined falling from 68 per cent in 2011-12 to 47 per cent in 2012-13. Performance across Wales improved in this period rising from 43 per cent in 2011-12 to 51 per cent in 2012-13.

54 In April 2011, the UK Government embarked on a programme of reform culminating with the phased introduction of Universal Credit between October 2013 and 2017. Changes to Housing Benefit are a major focus of the Government's reforms intended to reduce UK annual expenditure by around £2.3 billion. Our review next year will focus on how the Council will maintain its improved performance and address the weaker areas, within the context of the changes due to the introduction of Universal Credit scheme.

**The Council is not fully complying with its Welsh Language scheme but is introducing initiatives to promote and support the use of the Welsh language**

55 The Welsh Language (Wales) Measure 2011 created the new role of the Welsh Language Commissioner. It is expected that new powers to impose standards on organisations will come into force through subordinate legislation by the end of 2014. Until that time, the Commissioner will continue to review council's Welsh Language Schemes by virtue of the powers inherited under the Welsh Language Act 1993.

56 The Commissioner works with all councils in Wales to inspect and advise on the implementation of Welsh Language Schemes. Councils are responsible for providing services to the public in Welsh, in accordance with the commitments outlined in their Welsh Language Schemes.

57 The Commissioner's latest review of the Vale of Glamorgan Council concluded that, although the Council is taking actions to adhere to promote and support the use of the Welsh language, it recognises that it must do more. For example, the Council has recently launched a new bilingual corporate website and other electronic services, but it needs to promote its Welsh language content to the county's residents and make them aware of its existence. The Council has also identified that it needs to take further steps to ensure that its publications, documents and promotional material will be fully compliant with its own Welsh Language Scheme.

58 The Council also intends to extend the use of Welsh language taster sessions, which have proved successful in providing a gateway to further, more formal, learning. Welsh language training is also included in staff member's personal development plans. Work has already been undertaken to assess the standard of the workforce's language skills and further information on this is expected in the next annual monitoring report of the Welsh Language Commissioner.

## The Council complied with Welsh Government publication requirements although its methods of data verification for the Leisure Services contractor are not as strong as for its own services

### The Council's performance reporting for 2012-13 complied with the Welsh Government guidance

- 59 The Local Government Measure 2009 requires the Council to publish its improvement objectives for the year ahead and, by 31 October to produce a report providing its opinion about how well it had met its objectives in the previous year. The Auditor General is required to certify whether the Council has met these two requirements.
- 60 In respect of the publication of improvement objectives we concluded that the Council fully complied and discharged its improvement planning duties under the Measure by publishing its Plan, which contained its eight improvement objectives, for the forthcoming year 2013-14. The Council complied with publishing deadlines and the Plan was generally accessible to the public on the Council's website in English and Welsh.
- 61 With regard to the report of its performance the Council met its obligation to produce the report by 31 October. The report was made readily available to members of the public via the Council's website in both English and Welsh.

### Systems to produce performance data are generally sound but they are inconsistently applied for outsourced services

- 62 The quality of data is important as it enables the Council to measure its progress and provide sound information and evidence as to whether or not it is achieving its improvement objectives. We reviewed how the Council checks data quality:
- whether the Council is selecting the right measures and targets to be able to demonstrate improvement;
  - the methods of collection and analysis of data; and
  - how the results are reported.
- 63 We selected a sample of the Council's performance measures and operational data systems and considered their accuracy and robustness. We concluded that the Council has well established systems to collect and analyse data, producing sound performance information and that it reports this information appropriately. However, although these processes work well for the Council's services generally, there are inconsistencies in how the systems are applied to the Council's externally provided Leisure services so that some of the performance indicators were inaccurate, incomplete or do not comply with definitions.

## The Council has effective plans for managing the financial challenges it faces and has developed a plan intended to prepare its workforce for the future

### The Council's Medium Term Financial Strategy 2013-2017 effectively sets out how the Council intends to achieve its planned savings

- 64 The Council published its Medium Term Financial Strategy for the period 2013-2017 in September 2013. In the current financial year, and in line with expectations, the Council predicts a surplus of £1.82 million. The Strategy details how the Council plans to achieve a reduction of £35 million in savings over the next three years.
- 65 The Council has clear and robust financial plans in place and the Council's Cabinet agreed proposals for savings on 24 February 2014. Its medium and longer-term financial plans propose savings of £6.005 million in 2015-16 and £7.513 million for 2016-17.
- 66 The Cabinet agreed the Medium Term Financial Strategy on 7 October 2013. The Council agreed the Budget for 2014-15 on 5 March 2014.
- 67 The Council continues to consult widely with members and key stakeholders on its Budget and involves them in identifying what services should be prioritised.

### The Council has restructured many of its management roles and taken action to embed workforce planning throughout the organisation but it is too soon to assess its impact

- 68 One of the Council's improvement objectives is to develop effective and sustainable workforce planning arrangements. We found that the Council has significantly revised its senior management structure and rationalised both its service delivery and corporate structures in order to achieve savings targets and develop a more robust and sustainable approach to service delivery.
- 69 The Council introduced a series of management training and support programmes to help managers direct and implement forthcoming changes to services and procedures to maintain standards as well as achieve savings. These included 'change management' training, information about the single status pay structure, attendance at mandatory training on workforce planning by senior managers and increased use of flexible working and contract flexibility.
- 70 Staff and managers are identifying key skills for the future delivery of services through annual performance and development reviews. A programme of skills development, including mediation, assertiveness, coaching and mentoring skills has commenced to help identify and address the skills gap.

- 71 The Council introduced its first Workforce Plan to help ensure that it has the right number and quality of staff in place to maintain the quality of its services. It intends for the Workforce Plan to align with the Council's Corporate Plan objectives, Medium Term Financial Plan, service delivery structures and training programmes. In addition, the Council has introduced a Human Resources Strategy which includes changes to conditions of service which will allow and support staff to adapt to the changing needs of services and customer requirements.
- 72 The Council has also begun to implement a new single status pay structure for 4,500 employees which should be more equitable and sustainable. This has reduced the risk of equal pay claims and removed challenges to its financial planning arrangements. It is too soon to assess the impact of these initiatives. We will continue to monitor their progress over 2013-14 reporting period closely.

The Council generally has strengths in driving improvement across most services and responds positively to challenge. However, significant improvement is required in the delivery of disabled facilities grants and in managing the leisure contract

- 73 The Council has a track record of recognising the key risks and challenges it is facing and can provide examples of how it has developed as an organisation in recent years. However, as described earlier in this report methods that are being applied generally are not always ensuring substantive improvement and there is a need to strengthen the management and scrutiny of outsourced services. The Council's track record suggests it will respond positively to this challenge.

# 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 Council in Wales. This requirement covers local councils, national parks, and fire and rescue authorities.

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

Improvement authorities are under a general duty to 'make arrangements to secure continuous improvement in the exercise of [their] functions'. Improvement authorities are defined as local councils, national parks, and fire and rescue authorities.

The annual improvement assessment is the main piece of work that enables the Auditor General to fulfil his duties. The improvement assessment is a forward-looking assessment of a Council's likelihood to comply with its duty to make arrangements to secure continuous improvement. It also includes a retrospective assessment of whether a Council has achieved its planned improvements in order to inform a view as to the Council's track record of improvement. The Auditor General will summarise his audit and assessment work in a published *Annual Improvement Report* for each Council (under section 24).

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

## Appendix 2

### Useful information about the Vale of Glamorgan area and the Council

#### The Council

The Council spends approximately £275 million per year (2013-14). This equates to about £2,170 per resident. In the same year, the Council also spent £40.6 million on capital items.

The average band D council tax in 2012-13 was £1,122 per year. This has increased by 5.03 per cent to £1,206 per year for 2013-14; 55.9 per cent of the Vale of Glamorgan's housing is in council tax bands A to D.

There are 47 elected Council members who represent the community and make decisions about priorities and use of resources. The political make-up of the Council is as follows:

- 11 Conservatives
- 3 Independent
- 1 Independent Plaid
- 6 Plaid Cymru
- 21 Labour
- 4 Llantwit First Independent
- 1 UKIP

The Council's Managing Director and Director of Resources is Sian Davies

- Rob Thomas is Director of Development Services
- Miles Punter is Director of Visible Services and Housing
- Phil Evans is Director of Social Services
- Jennifer Hill is the Director of Learning and Skills



## Other information

The Assembly Members for the Vale of Glamorgan are:

- Vaughan Gething, Cardiff South and Penarth, Labour Party
- Jane Hutt, Vale of Glamorgan, Labour Party
- David Melding, South Wales Central, Conservative Party
- Andrew T Davies, South Wales Central, Conservative Party
- Eluned Parrott, South Wales Central, Welsh Liberal Democrats
- Leanne Wood, South Wales Central, Plaid Cymru

The Members of Parliament for the Vale of Glamorgan are:

- Alun Cairns, Vale of Glamorgan, Conservative Party
- Stephen Doughty, Cardiff South and Penarth, Labour Party

For more information, see the Council's own website at [www.valeofglamorgan.gov.uk](http://www.valeofglamorgan.gov.uk) or contact the Council at the Civic Offices, Holton Road, Barry, CF63 4RU.

## Appendix 3

### Annual Audit Letter

Sian Davies  
Managing Director  
Vale of Glamorgan Council  
Civic Offices  
Holton Road  
Barry  
CF63 4RU

Dear Sian

#### Annual Audit Letter

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

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

It is the Council's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

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

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

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This Code is based on International Financial Reporting Standards. On 26 September 2013 I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Council's financial position and transactions. My report is contained within the Statement of Accounts. The key matters arising from the accounts audit were reported to members of the Audit Committee in my Audit of Financial Statements report on the 16 September 2013.

- Accruals for Property, Plant and Equipment were found to be understated. The Council's year-end procedure had previously been to ensure that all billing of works performed in the year was as up to date as possible. This was the methodology that had been employed for a number of years and meant that the need for accruals in relation to works at year end was minimal. During the 2012/13 audit it was found that this control had not functioned correctly and some work performed in 2012-13 was missed and billed in 2013-14. The value of this expenditure was £1.9m. It was agreed that in 2012/13 additional checks would be put in place to ensure that work is included in the year for which it is carried out.
- Municipal Mutual Insurance (MMI) - Following the triggering of the MMI Scheme of Arrangement in November 2012, the Council was advised by the Scheme Administrator that an initial rate of levy of 15% of claims paid since 1993 had been imposed. In our view it was therefore necessary for the Council to record 15% of the claims paid by MMI since 1993 and those agreed but not yet paid as a current creditor to reflect the contribution that will be required from the Council. Should MMI's financial position deteriorate further, additional levies may be imposed on Councils. Therefore it was agreed the Council also needed to continue to monitor the situation to reflect the possibility of a further future levy.
- Schools cash balance included School debtors and creditors - The review of the Councils 'cash and cash equivalents', revealed that the amounts for Schools included reconciling items for debtors and creditors, and therefore the balance being shown was not simply a cash balance. The value of creditors was £1,037,000 and debtors was £158,000. This meant that the cash and cash equivalents' and the creditors balance were being understated by approximately £1m. The value was immaterial to the accounts but could have been misleading for a reader of the accounts and therefore it was recommended that these elements are accounted for separately going forward. From 2013/14 it was agreed by management to account for this type of debtor and creditor separately.

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

I issued a certificate confirming that the audit of the accounts has been completed on 26 September 2013.

The financial audit fee for 2012-13 is currently expected to be in line with the agreed fee set out in the Annual Audit Outline.

Yours sincerely

**John Golding**

For and on behalf of the Appointed Auditor  
26 November 2013

## Appendix 4

# Vale of Glamorgan County Borough Council's improvement objectives and self-assessment

### The 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 Corporate Plan to cover the period 2013-2017, which can be found on the Council website at [www.valeofglamorgan.gov.uk](http://www.valeofglamorgan.gov.uk)

They are:

Improvement objectives 2012-13	Improvement Objectives 2013-14
<ul style="list-style-type: none"><li>• To improve the quality and standard of private sector housing in the Castleland area.</li><li>• To reduce the time taken to deliver DFG to children and young people and to adults to achieve the Welsh average performance of 2010/11 as a minimum.</li><li>• To increase energy efficiency by promoting sustainable practices in our business in order to reduce the Council's carbon footprint.</li><li>• To increase recycling rates in order to achieve the Welsh Government target for 2012-13.</li><li>• To increase the proportion of the Council's housing stock that meets the WHQS by 31 March 2014.</li><li>• To increase attendance at secondary schools to achieve the Welsh top quartile performance of 2011/12.</li><li>• To maximise use of our property resources.</li><li>• To develop effective and sustainable workforce planning arrangements for the Council.</li></ul>	<ul style="list-style-type: none"><li>• To promote sustainable practices in our business with a particular focus on promoting waste reduction, reducing landfill and increasing recycling.</li><li>• To reduce the time taken to deliver DFG to children and young people and to adults to achieve the Welsh average performance of 2011-12 as a minimum.</li><li>• To increase the number of council foster carers.</li><li>• To support and challenge schools in order to improve pupil attainment levels at Key Stage 3.</li><li>• To implement effective and sustainable workforce planning for the Council.</li><li>• To improve citizen engagement by ensuring residents' views are used to inform service development and improvement and further developing opportunities/mechanisms for residents to influence decision making.</li><li>• To tackle the effects of climate change with a particular focus on local flood and coastal risk management.</li><li>• To reduce the number of young people aged 14-19 who are not in employment, education or training (NEET).</li></ul>

The Council's self-assessment of its performance during 2012-13 can be found by using the following website link:

[www.valeofglamorgan.gov.uk/en/our\\_council/achieving\\_our\\_vision/improvement/improvement.aspx](http://www.valeofglamorgan.gov.uk/en/our_council/achieving_our_vision/improvement/improvement.aspx)

Wales Audit Office  
24 Cathedral Road  
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: [info@wao.gov.uk](mailto:info@wao.gov.uk)

Website: [www.wao.gov.uk](http://www.wao.gov.uk)

Swyddfa Archwilio Cymru  
24 Heol y Gadeirlan  
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn Testun: 029 2032 0660

E-bost: [info@wao.gov.uk](mailto:info@wao.gov.uk)

Gwefan: [www.wao.gov.uk](http://www.wao.gov.uk)