

## Report of the Cabinet Member for Finance & Resources

Council – 12 August 2014

### WALES AUDIT OFFICE ANNUAL IMPROVEMENT REPORT 2014

<b>Purpose:</b>	To report on the Wales Audit Office (WAO) Annual Improvement Report 2014 on the City & County of Swansea.
<b>Policy Framework:</b>	'Standing Up for a Better Swansea' Corporate Improvement Plan 2013/17
<b>Reason for Decision:</b>	To receive and review the findings as set out in the WAO Annual Improvement Report 2014 and the work being done to address them in order to help inform executive decisions on resource allocation and, where relevant, further corrective actions to manage and improve performance and efficiency in delivering national and local priorities.
<b>Consultation:</b>	Legal, Finance, Access to Services.
<b>Recommendation(s):</b>	It is recommended that:  <ol style="list-style-type: none"><li>1) Council receives and notes the WAO Annual Improvement Report 2014.</li><li>2) Council notes the action already taken and planned to address the areas for improvement as part of the Council's performance improvement process.</li></ol>
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#### 1.0 Introduction

- 1.1 The Local Government Measure (Wales) 2009 (the Measure) introduced responsibilities for the Auditor General, including a responsibility to publish his assessment of each council/authority's arrangements to secure continuous improvement.

- 1.2 This Annual Improvement Report (AIR) 2014 has been produced by the Auditor General for Wales to discharge his duties under section 24 of the Measure. The report also discharges duties under section 19, namely; to issue a report certifying that he has carried out an audit under section 17 and an improvement assessment under section 18.
- 1.3 Local authorities are under a general duty to 'make arrangements to secure continuous improvement in the exercise of [their] functions'.
- 1.4 The main piece of work for the Wales Audit Office, to enable the Auditor General to fulfil his duties, is an annual Improvement Assessment. This assessment is conducted for each improvement authority. For each authority, it will determine whether the authority is likely to comply with the requirements of Part 1 of the Measure. The Wales Audit Office also undertakes improvement information and planning audits in order to ascertain whether the authority has discharged its duties under section 15(1) to (7).
- 1.5 This is informed by a:
- § Corporate Assessment – a forward-looking assessment of an authority's likelihood to comply with its duty to make arrangements to secure continuous improvement; and
  - § Performance Assessment – a retrospective assessment of whether an authority has achieved its planned improvements in order to inform a view as to the authority's track record of improvement.
- 1.6 The output(s) from these assessments are issued by the Auditor General as Audit and Assessment Report(s). In publishing this Annual Improvement Report under section 19, the Auditor General for Wales is certifying that he has undertaken a section 17 audit and a section 18 improvement assessment.

## **2.0 Main Findings**

- 2.1 The report covers delivery and evaluation of services in relation to 2012/13, improvement planning for 2013/14 and the Auditor General's views on whether the Council will make arrangements to secure continuous improvement for 2014/15. The main findings are reproduced below:
- 2.1.1 In 2012/13 the Council made good progress in delivering its improvement priorities with the exception of recycling where the rate of improvement remained slow.
- 2.1.2 The Council has got better at reporting how well it is performing and is developing a consistent approach to evaluating itself.

- 2.1.3 The Council strengthened its capacity to drive improvement by completing its management structure and establishing a strategy for managing the significant financial challenges it faces.

### **3.0 Summary – areas identified for further improvement**

- 3.1 The report identifies a number of other areas for improvement, which are summarised below:

#### **3.2 Delivering Improvement**

- 3.2.3 Although recycling rates improved, the Council failed to meet the 52 per cent statutory recycling target in 2012-13 and performance continued to be poor compared to other Welsh councils.

#### **3.3 Reporting and evaluating performance**

- 3.3.1 The Council produced a readily accessible report about its performance but did not consistently explain how successful it had been in delivering its objectives.

- 3.3.2 The pace of improvement of performance reporting has been slow.

- 3.3.3 The Council's scrutiny arrangements are becoming more established but insufficient public information is available in advance of panel meetings.

#### **3.4 Capacity to drive improvement**

- 3.4.1 Revision of improvement objectives meant the Council published its corporate improvement plan later than usual.

### **4.0 Summary - areas of good performance**

- 4.1 The report identifies a number of areas of good performance, which are summarised below:

#### **4.2 Delivering Improvement**

- 4.2.1 Education services for children and young people were adequate with good prospects for improvement.

- 4.2.2 The Council's approach to reducing the number of young people who are not in education, employment or training (NEETs) retained a strong strategic focus and the number of NEETs in Swansea continued to decrease.

- 4.2.3 The Council continued to be successful in increasing the number of participants engaged in its employability schemes and performance against key national employment data was positive.

#### 4.3 Reporting and evaluating performance

4.3.1 Overall, the Council had good systems in place to produce performance indicator data and is acting to address weaknesses in target setting;

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

#### 4.4 Capacity to drive improvement

4.4.1 The Council has successfully introduced changes to its senior management team and appointments have now been made to all key posts. The Council's capacity to deliver its key services is good

4.4.2 The Council has embarked upon a strategy to address the significant financial challenges it faces. Addressing the predicted funding gap now depends on the successful implementation of this strategy.

4.4.3 The Council is likely to comply with the requirement to make arrangements to secure continuous improvement during this financial year.

### **5.0 Update on work to address areas for Improvement**

#### 5.1 Delivering Improvement

5.1.1 In a bid to improve recycling rates, the Council has introduced a limit of 3 black bin bags per fortnight for households in conjunction with a range of other initiatives. Early indications are that this is helping to increase recycling rates.

#### 5.2 Reporting and evaluating performance

5.2.1 The Council is currently implementing changes to its performance and improvement arrangements, which includes a corporate approach to improving how the Council reports performance and evaluates itself.

5.2.2 A monthly meetings list for Scrutiny, including all panel and work group meetings, has been published via the Scrutiny website since February. In addition, individual posts seeking public involvement are published for specific meetings and geared specifically to those meetings.

#### 5.3 Capacity to drive improvement

5.3.1 The Council published its corporate improvement plan in 2014/15 earlier than in 2013/14.

### **6.0 Equality & Engagement Implications**

6.1 This report has no direct equality and engagement implications.

**7.0 Financial Implications**

7.1 There are no direct financial implications associated with this report.

**8.0 Legal Implications**

8.1 There are no legal implications associated with this report.

**Background Papers:** None.

**Appendices:** Appendix A – WAO Annual Improvement Report 2014