



WALES **AUDIT** OFFICE
SWYDDFA **ARCHWILIO** CYMRU

Annual Improvement Report

City and County of Swansea Council

January 2011



Annual Improvement Report by the Auditor General for Wales

This report is written by the Wales Audit Office on behalf of the Auditor General for Wales. (An explanation of what the Auditor General does is at Appendix 1). It is a new report that he is required to publish about how well Welsh councils are improving their services. With help from other inspectors like Estyn (for education) and the Care and Social Services Inspectorate for Wales, we have brought together a picture of what the council is trying to achieve; how it is going about it; and what it needs to do to improve its approach to improving services.

This Annual Improvement Report sets out that picture and each year we will produce a report to let you know what progress the City and County of Swansea Council (the Council) has made. We have not covered all the services the Council provides. We have focused on a small number of things, especially those things that the Council has said are its priorities for improvement.

We want to find out what you think of the services the Council is providing in your area and will be giving you an opportunity to comment in the future. In the meantime we would like to know whether this report gives you the information you need, and whether it is easy to understand. You can let us know your views by emailing us at info@wao.gov.uk or writing to us at 24 Cathedral Road, Cardiff CF11 9LJ.

The Wales Audit Office study team that assisted in preparing this report comprised Rod Alcott and Jeremy Evans under the direction of Jane Holownia.

This report has been prepared by the Wales Audit Office on behalf of the Auditor General for Wales as required by the Local Government (Wales) Measure 2009. The Auditor General for Wales assesses the compliance of Welsh improvement authorities (county councils, county borough councils, national park authorities and fire and rescue authorities) with the improvement requirements of Part 1 of the Local Government (Wales) Measure 2009.

The Auditor General for Wales and his staff together comprise the Wales Audit Office. For further information about the Wales Audit Office please write to the Auditor General at 24 Cathedral Road, Cardiff, CF11 9LJ. Telephone 029 2032 0500, email: info@wao.gov.uk, or see website www.wao.gov.uk.

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What kind of area is the City and County of Swansea?

- 1 The information in paragraphs 2 to 5 illustrates the context within which the City and Council of Swansea Council (the Council) is operating. It includes information on issues that are outside the scope of the Council. As such it is not a commentary on the Council's performance but an illustration of the issues facing the Council that it has to address in conjunction with others.
- 2 The City and County of Swansea has a geographic area of 378 km² and is the fourteenth largest local authority area in Wales. The county can be divided roughly into three areas, the rural Gower Peninsular with scattered small villages, the upland Lliw and its characteristic moorland landscape and the urban centres of Swansea City, Gorseinon and Pontarddulais. Swansea is well served by road and rail links.
- 3 In 2009 the population of the county was around 231,300 making Swansea the third largest council in Wales. From 2008 to 2021 the Council expects the population to grow by 21,600, an increase of 9.4 per cent.
- 4 The percentage of people who spoke Welsh in Swansea in 2008 was 13 per cent: one of the lowest rates amongst Welsh local authorities.
- 5 In 2009 the employment rate was 64.6 per cent, just below the Welsh average and the seventh lowest in Wales. Just over 92,000 people were employed in the service industries (public administration, education, health, distribution, hotels and restaurants) representing a significant majority of the employed people in the county. One and a half times more people were employed in manufacturing than construction although the largest percentage of VAT registered businesses in Swansea in 2008 was in construction (14 per cent). Retail and professional businesses (scientific and technical) are the second most common VAT registered businesses (12 per cent).
- 6 Further information about Swansea and the Council is included in [Appendix 2](#).

geographic area
378 km²
//////////

population
231,300
//////////

welsh speakers
13%
//////////

Is the City and County of Swansea Council well managed?

- 7 Managing such a large organisation with its diverse range of services is very complex. In July 2010 the Auditor General produced a Corporate Assessment Report that gives some detail on how the Council is organised and managed. Our findings are set out in [Appendix 3](#). If you want to read the whole Report you can find it on the Council's website or on the Wales Audit Office website at www.wao.gov.uk.
- 8 The overall conclusion of that report was that the Council has both strengths and weaknesses. Its strengths are in its partnership working, project management and some aspects of resource management, which are positively supporting improvement in the delivery of services to the public. However, there are some governance problems within the Council, and some flaws in business planning, risk management and some aspects of people management that may compromise future improvement.
- 9 The future savings that the Council will have to make will be on a much greater scale than anything the Council has previously faced. To make these savings the Council will have to make tough and timely decisions about what services to deliver and what services may have to be stopped.
- 10 We found that the Council has some arrangements in place that will help it deliver future improvement but there are also shortcomings that need to be addressed. In particular the Council needed to demonstrate that it can make sustainable improvement in Child and Family Services. Previous critical reports on the quality of Child and Family Services from the Care and Social Services Inspectorate in Wales (CSSIW) had resulted in the Deputy Minister for Social Services setting up an Intervention Board in March 2009 to oversee the necessary improvement.
- 11 Since we produced our Corporate Assessment, the CSSIW has carried out two further reviews of the Council's Child and Family Services. On the basis of CSSIW's work at the Council, the Deputy Minister for Social Services was assured that performance had improved in the majority of areas and the Council was now better placed to continue to deliver further improvements to its Child and Family services. Consequently the Deputy Minister announced on 19 October 2010 that the Intervention Board was no longer required.
- 12 In our Corporate Assessment we stated our intention to carry out a review of the Council's arrangements for its planning committees. This review has been completed and we have reported our findings to the Council. The review concluded that the Council's decision to increase the number of planning committees does not represent an efficient and proper use of resources. In light of these findings, we are making a formal recommendation to the Council to produce an action plan to address the recommendations in our report.
- 13 When we produced our Corporate Assessment report in July 2010, we identified a number of areas for improvement which are summarised in the table on page 19. It should be noted that some of the areas for improvement that we identified, such as medium term financial planning and workforce planning, are common to most councils across Wales. The Council has responded positively to our proposals and progress includes:
- a revised Community Strategy for 2010-14 being agreed by the Better Swansea Partnership to support better partnership working;
 - a partnership evaluation panel has been set up;

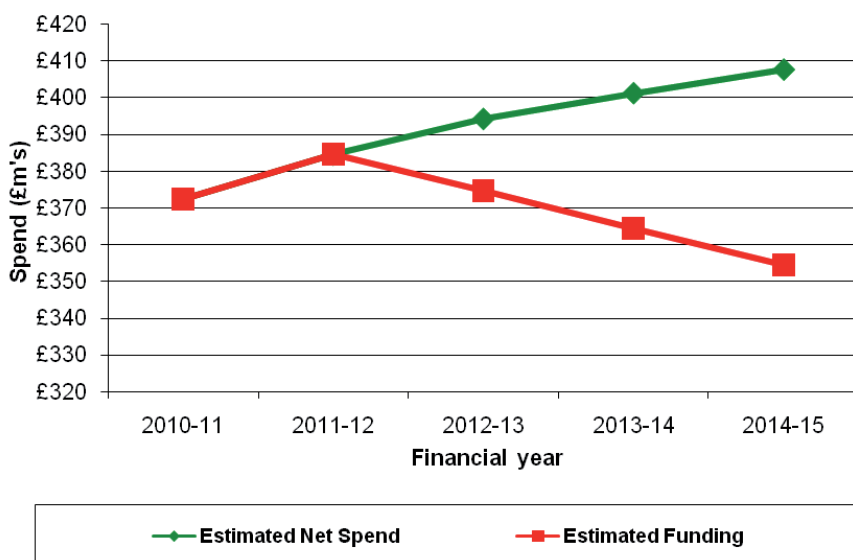
- a Business planning pilot being completed and evaluated;
 - the Council clarifying to us its ICT decision making structures; and
 - progress being made on workforce planning and staff performance appraisal.
- 14 Since we carried out fieldwork for the Corporate Assessment, the pressure has grown on the public sector with almost all public services facing reductions in funding. Revenue funding is the money that Councils spend running and managing their services. The Assembly Government published its provisional budget settlement for councils on 23 November 2010. That budget showed that the City and County of Swansea Council will see a reduction of around £4.5 million (1.5 per cent) in the revenue funding it gets from the Assembly Government for 2011-12; this takes account of the transfer of specific grants into general grants. Once inflation is factored in, this reduction means a real terms cut of around £10.2 million (3.4 per cent). Indicative Assembly Government figures show further real terms reductions in the Council's revenue funding for 2012-13 and 2013-14.
- 15 Capital funding is the money that councils spend on infrastructure, for example new buildings and new equipment. The capital funding available to the Council is set to reduce considerably. Because councils make bids to the Assembly Government for capital funding, it is not possible to be entirely clear about how much each council will get. The total sum of capital available to councils across Wales will fall by 14 per cent in 2011-12 (a real terms cut of 18.5 per cent). This funding is made up of general capital available to all Councils and specific capital grants. There has been a reduction in general capital funding of 19.9 per cent across Wales. The Council states that in its case the real term reduction in capital funding will be 19.6 per cent. There are no official figures for local government capital spending beyond 2011-12 but it is likely to be in line with a general reduction in the Assembly Government's capital spending, which will be cut by around 34 per cent (around 40 per cent in real terms) between 2010-11 and 2013-14.
- 16 The Council set a net revenue expenditure budget of £372.4 million in 2009-10. In 2010-11 the budget was £384.5 million. On 29 September 2010 the auditor appointed by the Auditor General issued an unqualified audit opinion on the 2009-10 accounting statements, confirming that they present a true and fair view of the Council's and the Pension Fund's financial transactions. A copy of the Annual Audit letter is included in [Appendix 4](#).
- 17 The Council continues to develop and refine its approach to medium term financial planning and how to make best use of the money it has. The Medium Term Financial Plan 2011-12 to 2013-14 assumed that there would be a real terms £10 million reduction in funding for each year and predicted that the budget requirement would grow by £9.7 million to £394.2 million next year and by a further £7.0 million to £401.2 million the year after, unless action is taken to reduce expenditure. These predictions of need and available budget are shown in [Figure 1](#).

18 The medium term financial plan 2011-12 to 2013-14 contained an action plan to address the financial shortfalls forecast at that time. It recognised that additional actions would need to be added to achieve a sustainable balanced financial position into the future, which would include:

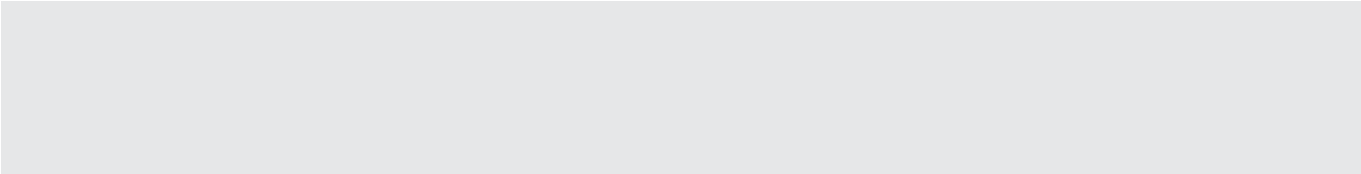
- a significant reduction in staffing numbers;
- a reduction of service levels;
- a reduction of service provision; and
- increased charges for council services.

19 In November 2010, the Council's cabinet considered a financial monitoring report for the first six months of 2010-11. It highlighted that there was a forecast overspend on service budgets of £4.7 million, primarily arising within Child and Family Services. Actions designed to achieve a balanced budget were approved and the availability of the Council's Contingency Fund, which stands at £14.7 million, to meet potential unbudgeted spending requirements in 2010-11 and future years was noted.

Figure 1: Predicted budget spend requirement and resources available 2010-11 to 2013-14
The gap between what the Council predicts it needs to spend and the level of resources it will have available will grow in the future unless action is taken to reduce expenditure.



Source: Medium Term Financial Plan 2011-12 – 2013-14



20 The Council has begun to prepare next year's budget and to update its Medium Term Financial Plan and is working on a range of options to achieve a balanced budget. The Council has approved a prioritisation of activity in the following three areas:

- protection of the most vulnerable people;
- direct pupil services; and
- defined street scene services.¹

21 The Council anticipates that its proposals, which are in the process of being fully developed, will result in sufficient cost savings to achieve a balanced revenue budget over the next three years. The current difficulties of achieving a balanced budget in 2010-11 combined with the forecast financial position in the medium term, demonstrate the scale of the challenge the Council faces.

¹ Defined street scene is described by the Council in the following way: The specific areas which should receive priority are those that keep highways clean and safe, including litter picking; graffiti cleaning; dog fouling; pot holes; weeding and fly-tipping, together with road markings, highway drainage and litter bin emptying.

Does the City and County of Swansea Council know what it needs to do to improve?

- 22 The Assembly Government requires all councils to publish their plans for improving what they do and how they do it. They must also publish a list of the main priorities that they are aiming to improve each year – their improvement objectives. For 2010-11 the Council has decided to concentrate on four objectives, which can be summarised as:
- improve services for children and young people;
 - improve and protect the environment;
 - improve Swansea's economic performance; and
 - improve Health and Social Care services for all.
- 23 The Council's objectives are set out in full in [Appendix 5](#).
- 24 The Council is required to publish its improvement objectives as soon as practical after the beginning of April each year. The Council met this requirement by publishing its improvement objectives in its Corporate Plan in June 2010 and made it and a summary available on its website. The Council also provided hard copies for libraries, District Housing Offices and public reception areas in the Guildhall and Civic Centre. Furthermore, a summary was included within The Swansea Leader, which was distributed to all households in Swansea. As this publication is one of the Council's most important public documents, it should give the plan a higher profile on the website and make it easier to access.
- 25 The Corporate Plan 2010-2011 Making a Difference is a comprehensive document which clearly links the improvement objectives to the Council's overall aims. There is some confusing repetition of what the Council wants to achieve, sometimes linking to outcomes but at other times referring to progressing programmes of work. There is a generally good description of why the improvement objective has been chosen supported by actions and performance measures which will provide evidence of activity; although in many cases they are not a direct measure of achieving overall outcome. The corporate plan links back to the Community Strategy. Other policy and strategic documents are clearly referenced in an appendix, as are details about how to find additional information about the Council's plans.
- 26 The Council also published a summary of the corporate plan. This document is much clearer and easier to read. Whilst it does not contain all the detail of the main report it is in many ways a better model for communicating the Council's plans to the public.
- 27 In setting improvement objectives, the Council needs to be clear about what it is trying to achieve, and be able to communicate clearly to local citizens what difference achieving these objectives will make to their lives. The Council must have ways of measuring its performance so that everyone understands whether and how it is improving.
- 28 The Council's transitional improvement objectives are very broad, covering almost all of the main services that the Council delivers. This approach does not enable citizens to easily understand what the priorities for the Council are and causes us to question whether they can all be delivered at a time of public spending cuts. We also think that such an approach makes it more difficult for citizens to hold the Council to account or to understand precisely what the Council is trying to achieve.

- 29 2010-11 was the first year that councils have been required to produce improvement objectives. The Improvement Objectives identified for 2010-11 are very much transitional and the Council was always aware of this and fully intended to revise them for 2011-12 to take into account the budget situation.
- 30 Our work indicates that the Council will be able to measure delivery of the improvement objectives in many areas but still faces two particular challenges. The first is to demonstrate what difference they have made to the lives of local citizens. This is a challenge because the Council, along with others in Wales, has up to now been responding to a national framework based on measuring process and outputs rather than outcomes. The second is to say how much of a contribution the Council is making and how much is down to partner organisations and other factors that the Council does not control. This is particularly difficult for things like improving Swansea's economic performance.
- 31 The Council recognises that it needs to develop better measures of outcomes and has recently taken the initiative of introducing results-based accountability as a means of addressing these issues. Results and outcome-based accountability is a model which starts with the outcomes that the Council wants to achieve and works back step by step to determine how and what the Council and others need to do to achieve the outcome. An important part of the model is defining how to measure improvement and to identify who delivers which parts of the action plan.
- 32 Workshops that we held with members and officers of the Council in September 2010 showed that the Council is clear about what it wants to achieve for service users. The workshops also revealed that the Council needs to do more to show the public what its current performance is like so that it can demonstrate future improvement.
- 33 We examined how well the Council involves local people and those that work with and for it, in deciding what it should make a priority. While no new consultation was done to inform the Corporate Plan we found that the improvement objectives set out in the Corporate Plan reflected the objectives of the Community Strategy, published in April 2009 that had been developed through consultation with the public, partnerships and partners. The Council has already undertaken consultation this year and more targeted consultation is planned for 2011-12 to inform the improvement objectives for 2012-13.
- 34 The Council is working with its partners and citizens to engage citizens and develop a community profile, but the Council could do more to involve its staff and other organisations in designing its services. It should also involve the voluntary sector to ensure that there is no duplication of effort.
- 35 Every Council needs to have good information and to use it well if it is to provide good services and improve them further. We found that the Council's systems for gathering and using information are good. Good arrangements are in place to oversee the production and collection of performance information. Although some errors were identified in our audit of the Council's performance indicators, these were minor. Performance is monitored and challenged regularly.
- 36 The Council has published its Annual Corporate Improvement Plan as required by legislation. The report sets out the Council's progress in delivering the priorities it identified for 2009-10. The report includes what Swansea Voices, the Council's citizen panel, thought about how successful or unsuccessful the Council was in delivering its priorities.

Is the City and County of Swansea Council serving people well?

- 37 Through our annual Improvement Assessment we hope to gradually build a picture of how well the Council is serving local people. In order to do that, each year we will examine the Council's services and some of their objectives for improvement as they relate to three important aspects of life in Swansea. We think that together, these aspects cover most of the main services that councils provide for citizens. They are:
- helping to support people in need;
 - helping people develop; and
 - helping to create a safe, prosperous and pleasant place to live.
- 38 In this year's assessment we have looked at how the Council is progressing so far on its improvement objectives within each of these areas. The objectives we have chosen are:
- improve services for children and young people, maximise well-being, raise standards of attainment and achievement and ensure they are safe (helping to support people in need and helping people develop); and
 - improve and protect our environment and make communities feel safer (helping to create a safe, prosperous and pleasant place to live).
- 39 We selected these objectives because together they span several key areas of the Council's responsibilities. They are both difficult to demonstrate and measure, for example well-being and feeling safer. Both involve partners in delivery and it is important to be able to measure how the Council's actions directly affect achievement of the objectives and to understand the role played by other agencies. Overall, if the Council has chosen to make things a priority, then it should be able to measure them in terms of how they affect local people.
- 40 We will look at other improvement objectives the Council is setting itself in our report next year.
- 41 The Welsh Language Board (the Board) works with Local Authorities to help them develop their statutory Welsh Language Schemes that outline the way in which they provide services to the public in Welsh. The primary responsibility for the range and standard of services rests with the Authorities who provide them, working in accordance with the statutory framework and guidelines of the Board. Every Local Authority is expected to provide the Board with an Annual Monitoring Report that explains how its Welsh Language Scheme has been implemented. This report allows the Board to offer advice as to how a Council might improve its local arrangements. The Board also undertakes its own reviews to assess the provision of Welsh language services and to promote improvement.
- 42 The Board praised the Council for the availability of electoral documentation in Welsh and for producing a comprehensive bilingual website. The Board has however expressed concern over the lack of progress against targets contained within the Council's Welsh Language Scheme. There is little evidence of progress for example with the collection of data on the linguistic skills of staff, and of using the data in planning service delivery. The Board expects that a revised Welsh Language Scheme and a Linguistic Skills Framework will facilitate progress or the Council will be at risk of being unable to offer services to the public in accordance with its Welsh Language Scheme commitments.

Is the City and County of Swansea Council supporting people in need?

- 43 The information in paragraphs 44-46 illustrates the context within which the Council is operating. It includes information on issues that are outside the scope of the Council. As such is not a commentary on the Council's performance but an illustration of the issues facing the Council that it has to address in conjunction with others.
- 44 Life expectancy in the City and County of Swansea is the same as the Welsh average, although it is rising. Female life expectancy for 2006-2008 was 81.1 years, compared with the Welsh average of 81.4 years and male life expectancy for 2006-2008 was 77 years, the same as the Welsh average. Rising life expectancy will over time create additional demand for the council's services for the elderly and the council will need to plan for and manage the demand.
- 45 Teenage pregnancy levels were the eleventh lowest in Wales in 2007 with 43.6 conceptions per 1,000 females residents aged 15 to 17, compared with the average rate for Wales of 44.9. In 2008, Swansea had the highest rate of children living in workless households amongst the Welsh local authorities.
- 46 Currently, about 20 per cent of children in Swansea are living in poverty. However, in certain deprived areas the rate is much higher. The Council is clear that these vulnerable children and young people will consequently have fewer opportunities, and sees this vulnerable grouping as a focus for improvement in its services.
- 47 The role of the CSSIW is to make professional assessments and judgments about social care, early years and social services and so encourage improvement by the service providers. It works on behalf of Welsh Ministers, but there are a number of safeguards in place to ensure its independence.
- Under new legislation there is a new framework in place for local authority social services inspection, evaluation and review.
- 48 Directors of social services are required to produce an annual self-assessment report on how well services are being delivered. The CSSIW will then undertake a review and analysis of evidence underpinning the report, including evidence from other regulators and inspectors. This analysis will result in an individual inspection and review plan for each council. The CSSIW's analysis, and the inspection and review plan, will be set out annually in a published letter.
- 49 2009-10 is the first full year of the new framework with the purpose being to establish a baseline of current performance. The key messages of the letter issued in December 2010 are summarised below.
- 50 Council development of outcome-focused assessments and outcome-focused contracting arrangements for older people and those with learning disabilities continues, but further work is needed to demonstrate how outcomes have improved. Performance in reducing the number of people delayed in hospital whilst their care arrangements are transferred to social services continues to improve. The Council has improved the timeliness in completing assessments and delivering care plans, performance remains above the Welsh median and continues to be an area for improvement. Performance in the time taken between the completion of care plans or reviews and service provision has deteriorated.
- 51 CSSIW state that the Council's responses to adult protection issues were very effective and that the development of person centred care for residential clients with dementia was good.

52 The Council offered 100 per cent of carers an assessment which is one of the highest performances in Wales, however, only 10 per cent of carers accepted an assessment and the Council has set out a range of measures to improve this performance. Users receiving assistive technology solutions have increased and there is an increased focus on community based support, although the numbers of direct payments remains low.

53 The 30 per cent increase in Looked after Children numbers has been challenging but key indicators of the Council's performance have either improved or remained consistent. Although the Council has invested in fostering services, this has yet to impact on the high number of children that are placed outside the home area. The adoption service has performed well in relation to numbers of adoptions completed. New staff have been recruited and support arrangements are in place; however, the numbers of unallocated cases and caseloads remain high. Working with partners, the Council is developing preventative services and a clearer understanding of eligibility shared amongst them. CSSIW concluded that the Council's referral decision making remains timely but highlighted the need for improvement in both the timeliness and quality of core assessments. Re-referral rates in the first 2 quarters of this year are reducing. Users of the Council's family support services have expressed a high level of satisfaction but the range of services for older children with disabilities and transition arrangements could improve.

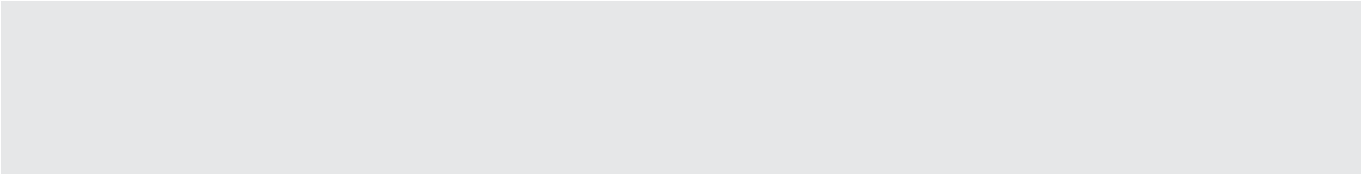
54 CSSIW concluded that senior managers within the Council are generally effective and accountable. There is an improved focus on improvement within the Child and Family Services management team. The Overview and Scrutiny Board for Child and Family Services is effective and there is a

proactive relationship with regulators. Both children's and adult services are recognised in the corporate improvement plan. There has been improved focus by the Council on developing a clear transformation agenda for adult services. The Council needs to further ensure that all senior managers are visible to their staff and embed the strategic vision.

Is Swansea Council improving services to young people and maximising well-being?

55 The Intervention Board that was set up to oversee necessary improvement to Child and Family services in Swansea has been withdrawn (see paragraph 10) Nevertheless the Council is aware that it needs to sustain its overall improvement and improve further in some areas.

56 Swansea has the highest number of children in care in Wales. The numbers have increased by 29.4 per cent from 432 in 2009 to 559 in 2010 following an increased awareness of young people in vulnerable situations arising from cases like Baby P. This rise is the second largest increase in Wales and has put the Council under considerable additional pressure at a difficult time although, as CSSIW recently reported, the Council has responded positively to this pressure. The percentage of looked after children with a care plan in place at the time they are put with foster parents has significantly improved over the last five years and now all children have a care plan in place. However, over the last three years, more young people have had to move between carers or schools which is making their lives less stable.

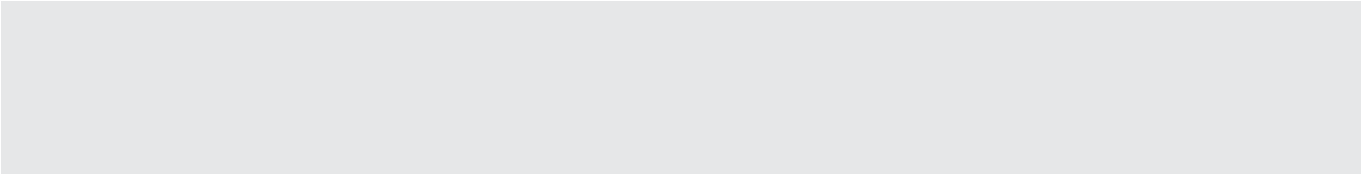
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- 57 The Council has improved the time it takes to complete an initial assessment of the needs of referred children and now completes 72 per cent within the target time, which is better than the average for Wales. Those not completed within the target time are completed on average in 14 days. Performance is not as good for the more extensive core assessment, with only 56.8 per cent being completed within the target time which is below the Welsh average of 63.4 per cent. In some cases it can take up to 75 days to complete the assessment.
- 58 The Council will be able to demonstrate improvement through such things as the stability of care arrangements and improved performance in delivering initial and core assessments. However, while these measures are valuable, the Council, along with most other councils, needs to develop additional measures that relate directly to the user's experience. Client well-being is very difficult to evaluate but the Council must find out what service users want, whether they feel better, and if their needs are being met in line with their expectation.
- 59 By the time we publish this report next year we will be able to report on the Council's progress in delivering its targets in this area.

Is the City and County of Swansea Council helping people to develop?

- 60 Estyn, the inspectorate of education and training in Wales, looks at how well councils are helping children and young people develop knowledge and skills. They carry out inspections of schools, further education colleges and training organisations as well as making judgements on how well councils support these education providers. Estyn, through its regional teams, analyses performance information, visits schools and has regular meetings with Directors of Education to come to a view about the role of the council and about education performance in the area.
- 61 Estyn have told us that performance at Key Stage 1 (Year 2) improved to above the Welsh average in 2009 although it has decreased slightly in 2010. In Key Stage 2 (Year 6) and Key Stage 3 (Year 9), performance rose in 2010 was the best ever for the county. Performance across Wales continued to improve gradually but the improvement was better than others bringing the county nearer to the Welsh average.
- 62 In 2009, performance in Key Stage 4 (Year 11) continued to be above or close to the Wales average for those indicators that reflect pupils gaining level 2 qualifications. However, progress on other indicators, including the percentage of learners leaving full-time education without a recognised qualification, are among the lowest in Wales and needs to improve. In 2007 and 2008, Swansea met or exceeded all three of the Assembly Government's benchmarks for performance in Key Stage 3 and Key Stage 4, but only achieved one of these in 2009.
- 63 The percentage of adults with no qualifications, in the City and County, has gradually fallen since 2001 and is better than the Welsh average.
- 64 The percentage of young people classified as Not in Employment, Education or Training (NEETs) was the most improved in Wales in 2008. However it increased in 2009 and the percentage was the fourth worst in Wales. The Council recognises the need to improve in this area and is taking steps designed to reduce the percentage. The percentage of pupils remaining in full-time education post-16 improved in 2009 at a faster rate than the Welsh average; it is now placed fourteenth in Wales.

Is the Council raising the standards of attainment and achievement?

- 65 Raising standards of attainment is part of a large broad improvement objective. The Council has a duty to secure efficient primary and secondary education, to promote high standards and make sure that all children fulfil their potential. To meet this duty, the Council has developed plans for school improvement based on a clear set of principles which are described in *Quality in Education 2020*.
- 66 The Council has lots of data that tells us where it currently stands. In 2009 there were 4,112 surplus places in primary schools across the county and 2,698 surplus places in secondary schools. Surplus places represent more than 20 per cent of total primary school places and 16 per cent of total secondary school places. In both cases, this is worse than the Welsh average. School attendance rates are close to the Welsh average at 92.4 per cent in primary and 90.7 per cent at secondary level. However, the number of school leavers with no qualification is significantly higher than the Welsh average of 0.9 per cent with 1.6 per cent of school leavers in this category.

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- 67 Putting the Council's plans into action will lead to substantial change, involving reducing the number of surplus school places, increasing the number of Welsh medium opportunities, and ensuring that there is adequate specialist teaching facilities.
 - 68 The Council will target support to low achieving pupils and adults to improve basic skills, especially reading and will also strive to improve school attendance. Further support to identified pupils in the 14-16 age range will help to guarantee them a place in education, training or employment.
 - 69 When we report next year we will be able to tell you what progress the Council has made.

Is the City and County of Swansea Council helping to create a safe, prosperous and pleasant place to live?

70 The information in paragraphs 71-74 illustrates the context within which the Council is operating. It includes information on issues that are outside the scope of the Council. As such it is not a commentary on the Council's performance but an illustration of the issues facing the Council that it has to address in conjunction with others.

71 The County's crime rate has fallen steadily over the last seven years. The highest proportions of these crimes are criminal damage (25 per cent) and other theft offences (22 per cent).

72 Forty seven per cent of adults who live in Swansea regularly take part in sports or active recreation. This level of participation is just below the Welsh average. As mentioned in paragraph 44, life expectancy in Swansea is also below the national average.

73 In July 2010, 3.4 per cent or 5100 residents of the working age population were out of work, which is below the Welsh average of 3.6 per cent. In 2007, Gross Disposable Household Income per head in Swansea stood at £12,524 and was the tenth lowest amongst the 22 Welsh local authorities.

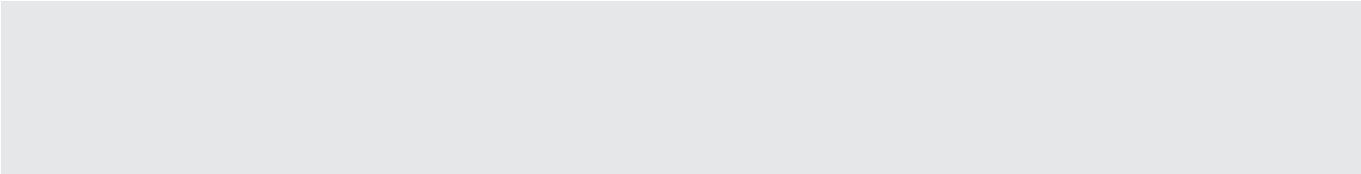
74 In 2009, average weekly earnings in Swansea stood at £479; which was the seventh lowest amongst the 22 Welsh local authorities. In 1999, earnings in Swansea equalled the Welsh average, but have fallen below the Welsh average since. In 2008, as mentioned in paragraph 45, Swansea had the highest rate of children living in workless households amongst the Welsh local authorities, with pockets of deprivation causing concern.

Is the Council improving and protecting the environment and making communities feel safer?

75 The public have indicated that they want a cleaner and safer environment, and a nicer place to live and visit. They want the Council to focus on this. In 2008-09, the Council was awarded a silver clean city award and is building on this achievement through the new area service teams designed to deliver neighbourhood services focused on need. If these service teams are successful, there should be a reduction in the number of complaints and improved results from citizen surveys and focus groups. Current responses to citizen surveys indicate that 54.5 per cent of respondents thought that the Council was very or fairly successful in delivering well coordinated street cleaning and maintenance services.

76 There are a number of key partners involved in this objective including the police and health. Partners will report improvements, for example police crime figures. However the Council may find it difficult to assess accurately whether people feel safer.

77 Another part of providing a cleaner environment and also contributing to reducing the ecological foot print is waste collection and recycling. The Council provides a waste management service to residents, visitors and traders that is effective and efficient. Waste management is a 'visible' council service that every resident benefits from. Current responses to citizen surveys indicate that 88 per cent of respondents thought that the Council was fairly or very successful at minimising waste and increasing recycling.

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- 78 In 2009-10, 35 per cent of household waste was recycled or composted, compared with the Assembly Government's target of 40 per cent. This result was a modest performance but showed improvement from 32 per cent in the previous year.
- 79 Food waste recycling is offered to residents but at present the uptake is variable, having increased recently in those areas where alternate residual collections have been introduced. There is little prospect of meeting future targets being set by the Assembly Government unless more people participate. The Council needs to increase public participation in municipal waste recycling and composting.
- 80 Overall this very broad objective involves a wide range of partners in its delivery and elements are difficult to measure. We will report on the Council's progress next year.

What should the City and County of Swansea Council do?

- 81 Given the wide range of services provided and the challenges facing Council it would be unusual if we did not find things that can be improved. The Auditor General is able to:
- recommend to Ministers of the Assembly Government that they intervene in some way;
 - conduct a special inspection and publish the report with detailed recommendations;
 - make formal recommendations for improvement – if a formal recommendation is made the Council must respond to that recommendation publicly within 30 days; and
- make proposals for improvement – if we make proposals to the Council, we would expect them to do something about them and we will follow up what happens.
- 82 In the light of our work the Auditor General formally recommends that the Council produces, by 28 February 2011, an action plan setting out its response to the recommendations contained in our November 2010 report on planning committee arrangements. The Council also needs to consider our proposals to help it improve:

Proposals we made in our earlier work

- Engage further with partners to identify shared outcomes, and develop success measures and performance indicators.
- Ensure that strategic plans are carefully aligned to, and integrated with, the Medium Term Financial Plan to strengthen corporate business planning.
- Ensure that financial planning and service planning are better integrated to improve ownership of budgets and the actions required to achieve savings.
- Explore ways of strengthening accountability for member behaviour and reducing the rate of referral to the Ombudsman. This might include consideration of a more active role for the Standards Committee and/or developing internal mechanisms for resolving complaints.
- Ensure that there is a clearer structure for decision making in ICT and consideration of options for future ICT delivery.
- Shift some of the balance of HR effort to future oriented planning and action to help the Council prepare for and mitigate significant risks before they develop.

Proposals we made in our earlier work (cont.)

- Specifically, the Council needs to focus on the following areas:
 - HR strategy
 - Strategic workforce planning
 - Individual performance appraisal
- Improve the integration between service, financial and workforce plans to create a strategic approach to staff cost reduction that reduces the risk of a future mismatch between resource requirements and skills supply.

Note: The progress that has been made in addressing the above proposals is highlighted in paragraph 13 of this report.

New proposals

- Maintain the overall improvement in Child and Family services identified by the CSSIW.
- Reduce the percentage of young people classified as NEETs.
- Increase public participation in municipal waste recycling and composting.
- Review existing improvement objectives to ensure that they are affordable, in line with the approved priorities set out in the budget for 2011-12 and clear to citizens.
- Consult with local people and those that work with and for the Council on future improvement objectives.
- Analyse existing information for each improvement objective to establish a baseline position against which to monitor progress. Identify measures to demonstrate outcomes for local citizens.

Appendix 1

About the Auditor General for Wales and this report

The Auditor General

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

The Wales Audit Office helps the Auditor General by examining various aspects of how Welsh public bodies work. It was created in 2005 when the National Audit Office in Wales and the Audit Commission in Wales merged.

The Auditor General is the external auditor of the Assembly Government and its sponsored and related public bodies; the National Assembly for Wales Commission and National Health Service (NHS) bodies in Wales. He also appoints the external auditors of Welsh local government bodies, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils.

As well as carrying out financial audit, the Auditor General's role is to examine how public bodies manage and spend public money, including achieving value in the delivery of public services. The law which created the Wales Audit Office also expanded the powers of the Auditor General to follow the 'public pound' wherever it goes.

This report

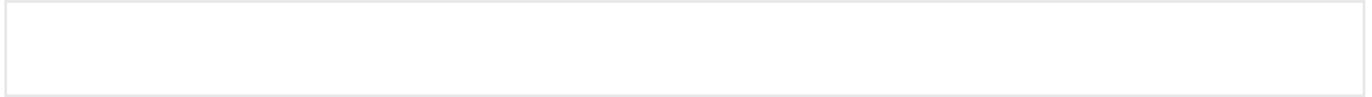
The Local Government Measure (Wales) Measure 2009 (the Measure) introduced new responsibilities for the Auditor General, including a responsibility to publish his assessment of each council/authority's arrangements to secure continuous improvement.

This report 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.

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 authorities, national parks, and fire and rescue authorities.

The main piece of work for the Wales Audit Office, to enable the Auditor General to fulfil his duties, is an annual Improvement Assessment.²

² This assessment will be conducted for each improvement authority, under section 18 of the Measure. 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 will also undertake improvement information and planning audit, as required under section 17 of the Measure, in order to ascertain whether the authority has discharged its duties under section 15(1) to (7).



This will be 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.

The output(s) from these assessments will be issued by the Auditor General as Audit and Assessment Report(s), under section 19 of the Measure. In publishing this report under section 19, the Auditor General for Wales is certifying that we have undertaken a section 17 audit and a section 18 improvement assessment.

The Auditor General may also in some circumstances carry out Special Inspections (under section 21), in respect of which he will provide a report to the relevant authorities and Ministers, and which he may publish (under section 22).

The Auditor General will summarise Audit and Assessment Reports in this published Annual Improvement Report (under section 24). This will also summarise any reports of Special Inspections.

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

The Auditor General sets out the fee for his performance audit work undertaken to discharge his duties under the Measure at each local authority in a Regulatory Programme agreed each year with the authority. The fee for November 2009 until March 2011 is currently expected to be in line with that set out in the Regulatory Programme.

Appendix 2

Useful information about Swansea and the City and County of Swansea Council

In 2009-10, the Council spent £701 million, which equates to around £3,000 per resident; it also spent £59 million on capital items. The Council's component of the average band D council tax in 2009-10 for Swansea residents was £918.38 per year, which increased by 4.35 per cent to £958.33 per year for 2010-11. Seventy seven per cent of Swansea's housing is in council tax bands A to D.

The Assembly Members for Swansea are:

- Val Lloyd, Swansea East, Labour
- Andrew Davies, Swansea West, Labour
- Edwina Hart, Gower, Labour

South Wales West Regional Assembly Members are:

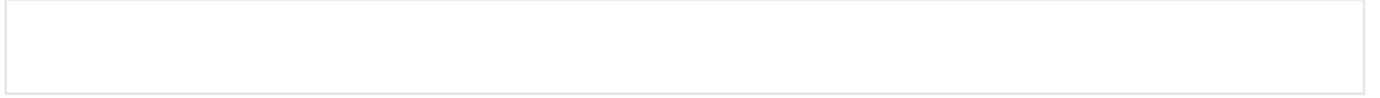
- Alun Cairns, Welsh Conservatives
- Peter Black, Welsh Liberal Democrats
- Dai Lloyd, Plaid Cymru
- Bethan Jenkins, Plaid Cymru

The Members of Parliament for Swansea are:

- Martin Caton, Gower, Labour
- Geraint Davies, Swansea West, Labour
- Sian James, Swansea East, Labour

There are 72 Councillors for Swansea who represent the community and make decisions about priorities and use of resources. The Council is made up of members from the following political groups:

- 37 Swansea Administration
- 27 Labour
- 5 Welsh Conservatives
- 3 Communities of Swansea



The Chief Executive is Paul Smith and his management team includes:

- Executive Director, Jack Straw
- Corporate Director – Education, Richard Parry
- Corporate Director – Regeneration & Housing, Phil Roberts
- Corporate Director – Environment, Reena Owen
- Corporate Director – Social Services, Chris Maggs

The Council is required by the Assembly 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.

For more information see the Council's own website at www.swansea.gov.uk or contact the Council at Civic Centre, Oystermouth Road, Swansea. SA1 3SN.

Appendix 3

The Auditor General's Corporate Assessment

The main conclusions of the Auditor General's Corporate Assessment which was issued to the Council in June 2010 are set out below:

Some corporate arrangements have improved and are positively supporting improvement, but there are still some weaknesses and the Council's leadership now faces the challenge of delivering the necessary improvements in a very difficult fiscal environment.

How the Council has approached improvement over time

Following a period of significant change, the Council now has more settled leadership but will need to make tough and timely decisions to secure improvement in a very challenging environment.

The Council has in the past been characterised by significant leadership changes and a mixed picture of achievement.

The Council now has more settled political and senior officer leadership and is improving some key services, although Child and Family Services remain subject to intervention.

The Council faces significant challenges and will need to make tough and timely decisions to secure improvement.

Analysis of the Council's arrangements to help it improve

Some arrangements are positively supporting improvement and there is a stable Corporate Management Team, however there are some governance problems and flaws in some business arrangements.

Partnership arrangements, project management and some aspects of resource management are positively supporting improvement.

The Council has a stable Corporate Management Team and a generally coherent set of policies and strategies but there are some governance problems and leadership needs to take tough and timely decisions to secure the necessary savings.

Some flaws in business planning, performance and risk management and aspects of people management may compromise future improvement.

For the full report see our website at www.wao.gov.uk or contact us at the address on the inside cover of this report.

Appendix 4

Appointed Auditor's Annual Audit Letter to the Members of City and County of Swansea Council

The City and County of Swansea Council complied with financial and performance improvement reporting requirements but is facing significant financial pressures in the near future.

- 1 It is the Council's responsibility to:
 - put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
 - maintain proper accounting records;
 - prepare a Statement of Accounts in accordance with relevant requirements;
 - establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources; and
 - publish its Improvement Plan by 31 October.

- 2 The Code of Audit Practice issued by the Auditor General (the Code) 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;
 - consider whether the Improvement Plan is prepared and published in accordance with statutory requirements; and
 - issue a certificate confirming that I have completed the audit of the accounts.

- 3 On 29 September 2010, I issued an unqualified audit opinion on the accounting statements, confirming that they present a true and fair view of the Council's and the Pension Fund's financial transactions. My report is contained within the Statement of Accounts.

- 4 The following matters were identified during the accounts audit:
 - Recommendations were raised regarding qualitative aspects of the Council's accounting practices and financial reporting. This included audit adjustments and changes to the narrative contained within the draft accounts.
 - Some weaknesses in internal controls were identified. The Council is implementing an action plan in response, which is being monitored by the Audit Committee.
 - The Whole of Government Accounts (WGA) return was submitted late as officers conducted a more thorough review than in previous years and our audit identified a number of misstatements in the return, which required adjustment.

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- The Council responded positively to the audit recommendations made last year and improved the financial reporting processes relating to the pension fund financial statements.
 - Progress has been made in preparation for implementing International Financial Reporting Standards (IFRS) in 2010-11 and officers have been proactive in discussing issues with the audit team.

- 5 My review of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed as part of the Measure. The main findings from this latter work will be set out in the Annual Improvement Report.
- 6 The Council's Improvement Plan 2010-11 meets statutory requirements and provides a balanced view of its performance in 2009-10.
- 7 I have not been able to certify completion of the audit because there are outstanding questions raised by electors relating to the Statement of Accounts.
- 8 The financial audit fee for 2009-10 is currently expected to be higher than that set out in the Financial Audit Strategy because additional audit time was spent on some areas of the accounts. We are working with the Executive Director and his team to identify improvements that the Authority can make to the financial reporting processes to avoid a recurrence in future years.

Lynn Hine (PricewaterhouseCoopers LLP)
For and behalf of the Appointed Auditor
30 November 2010

Appendix 5

The City and County of Swansea Council's improvement objectives

The Council published its improvement objectives in its Corporate Improvement Plan 2010-11 – *Making a Difference* which can be found on the Council website at www.swansea.gov.uk. They are to:

- improve services for children and young people, maximise well-being, raise standards of attainment and achievement and ensure they are safe so that the City and County provides excellent education opportunities;
- improve and protect our environment and make communities feel safer so that the City and County is a great place to live;
- improve Swansea's economic performance so that the City and County of Swansea supports a prosperous economy; and
- improve Health and Social Care services for all so that the City and County supports and promotes good health.

Appendix 6

References

All the data referred to within the report is drawn from one of the following sources:

- Welsh Assembly Government, StatsWales
- Welsh Assembly Government, local area summary statistics
- Improvement Authority's own websites and improvement plans
- The Wales Yearbook
- The Home Office
- Members' Research Service
- Office for National Statistics