



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

Annual Improvement Report

Blaenau Gwent County Borough Council

Audit year: 2018-19

Date issued: June 2019

Document reference: 1285A2019-20

This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by Dave Wilson and Non Jenkins under the direction of Huw Rees

Adrian Crompton
Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ

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 Board, 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.

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.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

This document is also available in Welsh.

Contents

Summary report

2018-19 performance audit work	4
The Council is meeting its statutory requirements in relation to continuous improvement but faces challenges going forward	4
Recommendations and proposals for improvement	4
Audit, regulatory and inspection work reported during 2018-19	6

Appendices

Appendix 1 – status of this report	16
Appendix 2 – Annual Audit Letter	17
Appendix 3 – national report recommendations 2018-19	23

Summary report

2018-19 performance audit work

- 1 To decide the range and nature of the work we would undertake during the year, we considered how much we already know from all previous audit and inspection work and from other sources of information including Blaenau Gwent County Borough Council (the Council) own mechanisms for review and evaluation. For 2018-19, we undertook improvement assessment work; an assurance and risk assessment project and work in relation to the Wellbeing of Future Generations Act at all councils. At some councils, we supplemented this work with local risk-based audits, identified in the Audit Plan for 2018-19.
- 2 The work carried out since the last Annual Improvement Report (AIR), including that of the relevant regulators, is set out in [Exhibit 2](#).

The Council is meeting its statutory requirements in relation to continuous improvement but faces challenges going forward

- 3 Based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Council is likely to comply with the requirements of the Local Government Measure (2009) during 2019-20. However, the Council faces significant financial pressures which will need continued attention in the short and medium term to reach a stable and sustainable position.

Recommendations and proposals for improvement

- 4 Given the wide range of services provided by the Council and the challenges it is facing, it would be unusual if we did not find things that can be improved. The Auditor General is able to:
 - make proposals for improvement – if proposals are made to the Council, we would expect it to do something about them and we will follow up what happens;
 - make formal recommendations for improvement – if a formal recommendation is made, the Council must prepare a response to that recommendation within 30 working days;
 - conduct a special inspection, publish a report and make recommendations; and
 - recommend to ministers of the Welsh Government that they intervene in some way.

- 5 During the course of the year, the Auditor General did not make any formal recommendations. However, we have made a number of proposals for improvement and these are repeated in this report. We will monitor progress against them and relevant recommendations made in our national reports ([Appendix 3](#)) as part of our improvement assessment work.

Audit, regulatory and inspection work reported during 2018-19

Exhibit 1: audit, regulatory and inspection work reported during 2018-19

Description of the work carried out since the last Annual Improvement Report, including that of the relevant regulators, where relevant.

Issue date	Brief description	Conclusions	Proposals for improvement
March 2019	<p>Assurance and Risk Assessment</p> <p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council:</p> <ul style="list-style-type: none"> • putting in place proper arrangements to secure value for money in the use of resources; • putting in place arrangements to secure continuous improvement; and • acting in accordance with the sustainable development principle in setting wellbeing objectives and taking steps to meet them. 	<p>Arising from this project we identified the following topics for inclusion in our Audit Plan at the Council for 2019-20:</p> <ul style="list-style-type: none"> • A review of the resilience of the Council which includes: <ul style="list-style-type: none"> ▪ monitoring of the Council's progress in responding to our 'Supporting Financial Resilience work' and other audit and inspection work; ▪ the Council's arrangements to sustainably manage its workforces' capacity and capability; and ▪ the Council's arrangements for managing sustainable improvement. • A review of the Council's financial sustainability: A project common to all local councils that will 	Not applicable

Issue date	Brief description	Conclusions	Proposals for improvement
		<p>assess financial sustainability in light of current and anticipated future challenges.</p> <ul style="list-style-type: none"> • A review of the Shared Resource Service (SRS): This review will follow up on the recommendations made by the Auditor General in 2015 on the SRS. The review will be carried out across the four local councils that are members of the SRS. 	
May 2019	<p>Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations Examination of the extent to which the Council has acted in accordance with the sustainable development principle when taking the following step: Flying Start, Families First, Early Years Childcare and Play ensuring preventative services target the most vulnerable families in Blaenau Gwent who do not meet the criteria for a care and support plan. This step supports the Social Services wellbeing objectives:</p> <ul style="list-style-type: none"> • developing a partnership approach to reducing and alleviating the impacts of poverty; and 	<p>The Council has acted in accordance with the sustainable development principle in setting the step ‘Flying Start, Families First, Early Years Childcare and Play ensuring preventative services target the most vulnerable families in Blaenau Gwent who do not meet the criteria for a care and support plan’ but there are opportunities to further embed the five ways of working:</p> <ul style="list-style-type: none"> • The Council has a thorough understanding of the short and long-term issues and challenges but does not yet have a sustainable long-term strategy; • The Council understands the needs of families and is working with them to limit or prevent problems escalating, but preventative programmes could be used more widely across Council services; • Whilst the Step links to strategies, it remains in the ownership of Children’s Social Services; the Council needs to do more to harness the 	<p>We did not make any proposals for improvement in the Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations report but did highlight some areas of development which the Council plans to act on. The report is available on our website.</p>

Issue date	Brief description	Conclusions	Proposals for improvement
	<ul style="list-style-type: none"> • Intervening early to prevent problems from becoming bigger. 	<p>support of other directorates to support delivery;</p> <ul style="list-style-type: none"> • Collaborative working is a key component of the Council's early intervention and prevention approach but is aware it has more to do; and • The Council can demonstrate some strengths in its approach to involving parents and other stakeholders; there are areas which the Council could further strengthen. 	
January 2019	<p>Annual audit letter 2017-18 Letter summarising the key messages arising from the Auditor General's statutory responsibilities under the Public Audit (Wales) Act 2004 and his reporting responsibilities under the Code of Audit Practice. The Annual Audit Letter is in Appendix 2 of this report.</p>	<ul style="list-style-type: none"> • The Council has not yet complied with all its statutory responsibilities relating to financial reporting and use of resources; • Whilst the Council has arrangements in place to secure economy, efficiency and effectiveness in its use of resources, there is scope to make further improvements; • All local authorities in Wales face financial challenges, however the challenge at Blaenau Gwent is significant. Given its level of reserves and budget pressures, the Council will need to develop a stronger financial culture if it is to remain financially resilient; and • My work to date on certification of grant claims and returns has not identified significant issues that would impact on the accounts or key financial systems 	None

Issue date	Brief description	Conclusions	Proposals for improvement
Local risk-based performance audit			
May 2019	<p>Leisure Services</p> <p>Review of the Council's internal review of its outsourced leisure services.</p> <p>The report is available on our website.</p>	<p>The Council faces significant challenges to ensure that leisure services are delivered in a sustainable way to meet its residents' needs:</p> <ul style="list-style-type: none"> • the Council has made savings since outsourcing its leisure services in 2014, but this model has not delivered as originally intended and faces ongoing financial challenges; • in 2018, the Council carried out a full review of its leisure services, but timescales were too compressed to fully develop the options and the review timescale had to be extended; and • the Council now has limited time to develop and deliver a sustainable model. 	<p>Learning from the existing leisure services arrangement:</p> <p>P1 Ensure that learning from the current Trust arrangement is considered when establishing the new leisure services arrangement; including:</p> <ul style="list-style-type: none"> • ensuring that the Council's responsibilities stated within legal agreements for any outsourced services are clearly understood by officers and members; • clarifying and agreeing service development expectations as well as financial targets from the outset; • ensuring financial targets are realistic and achievable; and • monitoring performance in a timely way so that the Council can foresee any potential poor performance or concerns over future financial sustainability of the arrangement in good time to take corrective action. <p>Learning that the Council can draw from the leisure service review process to inform its other service reviews:</p>

Issue date	Brief description	Conclusions	Proposals for improvement
			<p>P2 Ensure that the Council’s programme of service reviews work to realistic project scopes; including by ensuring that:</p> <ul style="list-style-type: none"> • timescales are realistic and achievable; • there is adequate and timely member involvement to allow for effective scrutiny; • adequate resources are allocated to complete service reviews; • options are well defined; and • proposed options are fully costed with proposed timescales for implementation to support effective decision making. <p>Preparing for an alternative delivery model(s):</p> <p>P3 Put plans in place to ensure continuity of leisure services and smooth transition to sustainable and efficient alternative delivery model(s).</p>
May 2019	<p>Thematic Review – Service User Perspective: Community Engagement A review on whether the needs, experiences and aspirations of</p>	<p>Local people recognise the Council’s commitment to community engagement although they are not always able to take part in a way that is effective and impactful:</p>	<ul style="list-style-type: none"> • ensure that community engagement is targeted to capture the views of as many people affected by the service change as possible;

Issue date	Brief description	Conclusions	Proposals for improvement
	<p>local people inform the design and delivery of the Council's community engagement exercises when making service changes to more closely meet their needs.</p>	<ul style="list-style-type: none"> • Local people can engage with the Council in many ways but these approaches are not always developed or made available with service users needs in mind; • Most people said they were satisfied with the quality of the Councils' approach to community engagement when making service changes although many said they were unable to seek clarity about the question if they needed to; • There are some barriers to engagement that potentially limit local participation; and • Communication with service users tends to be time limited and subject specific. 	<ul style="list-style-type: none"> • promote and utilise the support of the Corporate Engagement Team to maximise potential benefits from the engagement; • evaluate each engagement approach to establish when it is most appropriate to use; • develop a coordinated approach to community engagement that eliminates the current silo approach practiced in parts of the Council; • reinforce the importance of genuine community engagement amongst staff at all levels within the Council; • develop new, innovative and efficient ways of engaging local people by asking them for their ideas and involving them in developing new approaches; • develop a 'live' approach to community engagement with ongoing dialogue, feedback and communication across the Council – where community engagement is not managed as an isolated event; • identify local people who because of their roles currently have access to large numbers of people on a daily basis who could potentially work with the Council to help it

Issue date	Brief description	Conclusions	Proposals for improvement
			engage more effectively such as, but not restricted to faith groups; <ul style="list-style-type: none"> • share learning from community engagement activity to promote good practice and prevent repeats of poor practice; • review how the Council can most effectively engage people with protected characteristics to ensure appropriate inclusion in the process and value for money from their involvement; and • improve the timing and transparency of community engagement and the decision making process.
Improvement planning and reporting			
May 2018	Wales Audit Office annual improvement audit Review of the Council's published plans for delivering on improvement objectives.	The Council has complied with its statutory improvement planning duties.	None
December 2018	Wales Audit Office annual assessment of performance audit. Review of the Council's published performance assessment.	The Council has complied with its statutory improvement reporting duties.	None

Issue date	Brief description	Conclusions	Proposals for improvement
Reviews by inspection and regulation bodies			
Care Inspectorate Wales (CIW) June 2018	<u>Inspection on report on Blaenau Gwent County Borough Council's Fostering service</u>	<p>Overall assessment</p> <p>Children in stable placements are cared for by foster carers who provide children with good experiences and opportunities and are committed to supporting them achieve positive outcomes. Foster carers generally reported receiving a good level of support from their supervising social workers. We found a very positive and enthusiastic culture within the fostering service; this included the foster carers, staff within the fostering team, manager and senior managers. We received very positive comments from children about their carers.</p> <p>The implementation of the revised Public Law Outline has placed an expectation upon the local authority to conclude care applications with the 26 week timescale. There has also been an increase in the number of looked after children and an increasing demand for placements. Consequently, the fostering service has been placed under pressure, with a greater focus on connected persons assessments. This has impacted on recruitment activity and on the arrangements for the ongoing support provided to foster carers.</p>	<p>Recommendations for improvement</p> <p>During this inspection, we advised the registered person that improvements are needed in order to fully meet the legal requirements in relation to:</p> <ul style="list-style-type: none"> • quality assurance arrangements – the establishment and maintenance of a system to monitor and improve the quality of the service (Regulation 42 (1)); • consultation with the full range of stakeholders and resulting analysis and full analysis and action in relation to placement endings (Regulation 42 (2)); • training for foster carers: (Regulation 17 (1)); • the fostering panel must consider and take into account all of the information passed to it to ensure that children are safeguarded. (Regulation 21 (1A) (a)); and • the fostering service should establish a procedure for monitoring the school attendance, progress and educational attainment of children placed with foster carers. (Regulation 16 (2) (a).

Issue date	Brief description	Conclusions	Proposals for improvement
		<p>However, the service is taking action to address these issues, with regional initiatives underway and additional resources for foster carer recruitment. Further action is required to ensure the effectiveness of the service's quality assurance arrangements in order to drive forward evidence-based, outcome focused service improvements.</p>	<p>Further recommendations:</p> <ul style="list-style-type: none"> • ensure that children's views and social workers' views are captured and considered at foster carer reviews. • review the support, and training arrangements for connected carers to ensure that their needs are appropriately met. • review risk assessment and safe caring processes and ensure that foster carers promptly have necessary documentation to reinforce discussions in relation to strategies to provide safe care. • where two adults in one household are approved as joint carers, both should successfully complete training. • the record of matching meetings should provide sufficient detail to evidence sound decision-making. To include the potential impact of the placement on any existing children. Also, where gaps are identified in terms of matching, the fostering service should record how it intends to address these, for example, by way of training.

Issue date	Brief description	Conclusions	Proposals for improvement
			<ul style="list-style-type: none"> • expedite the implementation of up to date policies and procedures. • expedite the production of the foster carer handbook so that carers have all information regarding policies and procedures. • the service should be able to clearly evidence that the level of supervision and support matches the needs of individual foster carers. Arrangements should be put in place for the appraisal of fostering panel members. • action should be taken to increase the breadth of experience of fostering panel members. • the minutes of panel discussions should consistently evidence the process of decision making. • the fostering service should consider Welsh Government's More Than Just Words' follow on strategic guidance for Welsh language in social care. All social care providers should include information on their level of Welsh language service provision in the statement of purpose and young person's guide and reflected in the annual review of the quality of care.

Appendix 1

Status of this report

The Local Government (Wales) Measure 2009 (the Measure) requires the Auditor General to undertake a forward-looking annual improvement assessment, and to publish an annual improvement report, for each improvement authority in Wales. Improvement authorities (defined as local councils, national parks, and fire and rescue authorities) have a general duty to 'make arrangements to secure continuous improvement in the exercise of [their] functions'.

The annual improvement assessment considers the likelihood that an authority will comply with its duty to make arrangements to secure continuous improvement. The assessment is also the main piece of work that enables the Auditor General to fulfil his duties. Staff of the Wales Audit Office, on behalf of the Auditor General, produce the annual improvement report. The report discharges the Auditor General's duties under section 24 of the Measure, by summarising his audit and assessment work in a published annual improvement report for each authority. 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 authority has discharged its improvement planning duties under section 15.

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

Appendix 2

Annual Audit Letter

24 Cathedral Road / 24 Heol y Gadeirlan
Cardiff / Caerdydd
CF11 9LJ

Tel / Ffôn: 029 2032 0500

Fax / Ffacs: 029 2032 0600

Textphone / Ffôn testun: 029 2032 0660

info@audit.wales / post@archwilio.cymru

www.audit.wales / www.archwilio.cymru

Please contact us in Welsh or English.

Cysylltwch â ni'n Gymraeg neu'n Saesneg.

Cllr Nigel John Daniels

Leader

Blaenau Gwent County Borough Council

Municipal Offices

Civic Centre

Ebbw Vale

Gwent

NP23 6XB

Reference: 1030A2019-20

Date issued: 18 January 2019

Dear Cllr Daniels

Annual Audit Letter – Blaenau Gwent County Borough Council 2017-18

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

The Council has not yet complied with all its statutory 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 keep under 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 (the code). This code is based on International Financial Reporting Standards.

On 25 September 2018 I reported to the Audit Committee that we had largely completed our audit testing of your financial statements for 2017-18. However, due to some ongoing audit considerations we were unable to provide an audit opinion on the 2017-18 accounts. We also reported that for the same reason we were still unable to provide an audit opinion on the 2016-17 accounts. These matters remain outstanding and consequently I have not yet been able to issue an audit opinion for either financial year, nor a certificate confirming that the audit of the accounts has been completed.

Councils are required to approve and publish their financial statements by 30 September. The Council met its statutory obligations to both consider and publish the financial statements by this date. However, they were not approved, and to date remain unapproved, pending certification from the Section 151 Officer and an audit opinion being proposed.

Our September 2018 report also commented on the challenge facing all local authorities in meeting the early closer of accounts deadlines. The deadline for certification comes forward by a few days in 2018-19, but by 2021 draft accounts will need to be prepared by 31 May. Many councils are well on their way to meeting this target already. The Council will need to ensure it has appropriate plans in place to allow their accounts to be produced by this timescale and we will work with officers to support the meeting of this aim.

Whilst the Council has arrangements in place to secure economy, efficiency and effectiveness in its use of resources, there is scope to make further improvements

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 under the Local Government (Wales) Measure 2009. 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.

All local authorities in Wales face financial challenges, however the challenge at Blaenau Gwent is significant. Given its level of reserves and budget pressures, the Council will need to develop a stronger financial culture if it is to remain financially resilient

Usable revenue reserves continue to fall

Austerity funding remains the most significant challenge facing all local government bodies in Wales and financial pressures are likely to continue for the medium term.

In July 2018 we reported on the financial resilience arrangements at the Council and concluded that 'the Council has an agreed Medium Term Financial Strategy and reserves of 5% but will need to develop a stronger financial culture if it is to remain financially resilient'. Our findings, along with our seven proposals for improvement for the Council to address were summarised in our Annual Improvement Report (AIR) in September 2018 which was reported to the October Council meeting. The AIR can be found on our website [here](#).

For 2017-18 the Council received a reduction in its Revenue Settlement from Welsh Government of 0.4%. The Council set a revenue budget of £144 million, which planned to use £1.3 million of earmarked reserves. The outturn position was a revenue deficit of £0.66 million. In addition to the in-year deficit position there was a fall of £2.39 million in usable revenue reserves (a combination of the General Reserve and earmarked revenue reserves). Usable revenue reserves had fallen to £10.5 million at 31 March 2018.

The Council has set itself a target of keeping the General Reserve to at least 4% of revenue outturn expenditure. At the end of March 2018 the General Reserve stood at just under £5.5 million or 4.1% of Revenue Outturn Expenditure. The comparative position for 31 March 2017 was £5.9 million or 4.3%.

We have compared the level of usable Revenue Reserves as a percentage of Gross Revenue Expenditure across all Local Authorities in Wales, and Blaenau Gwent CBC has the lowest level of these reserves. This is represented graphically in **Exhibit 1** and **Exhibit 2**:

Exhibit 1

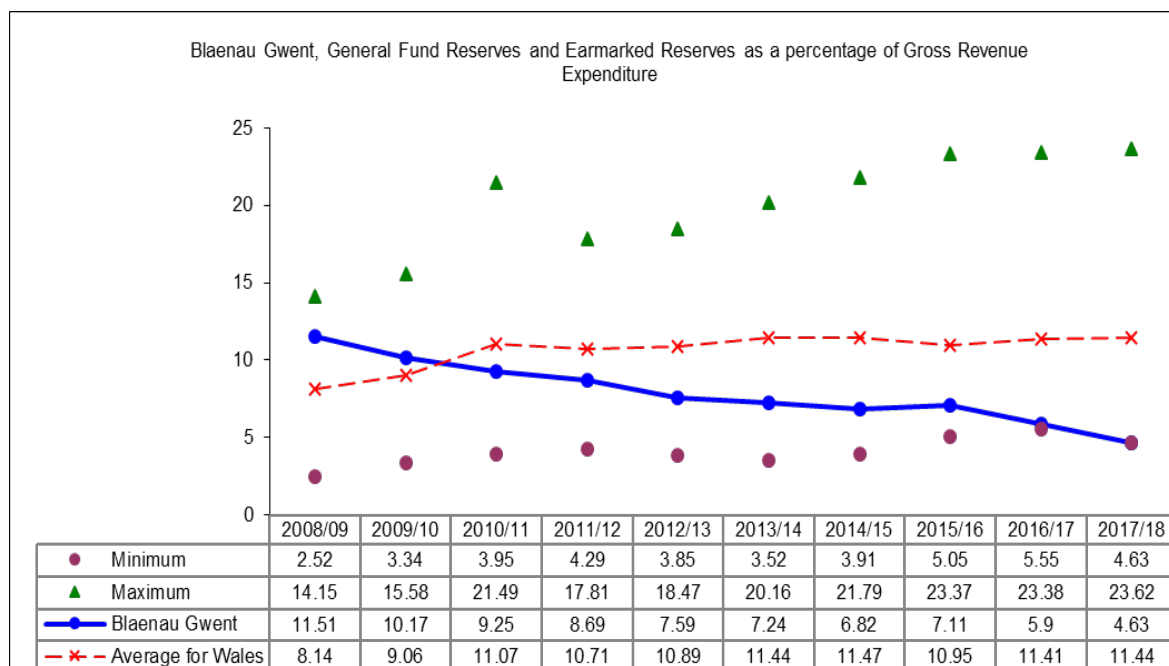
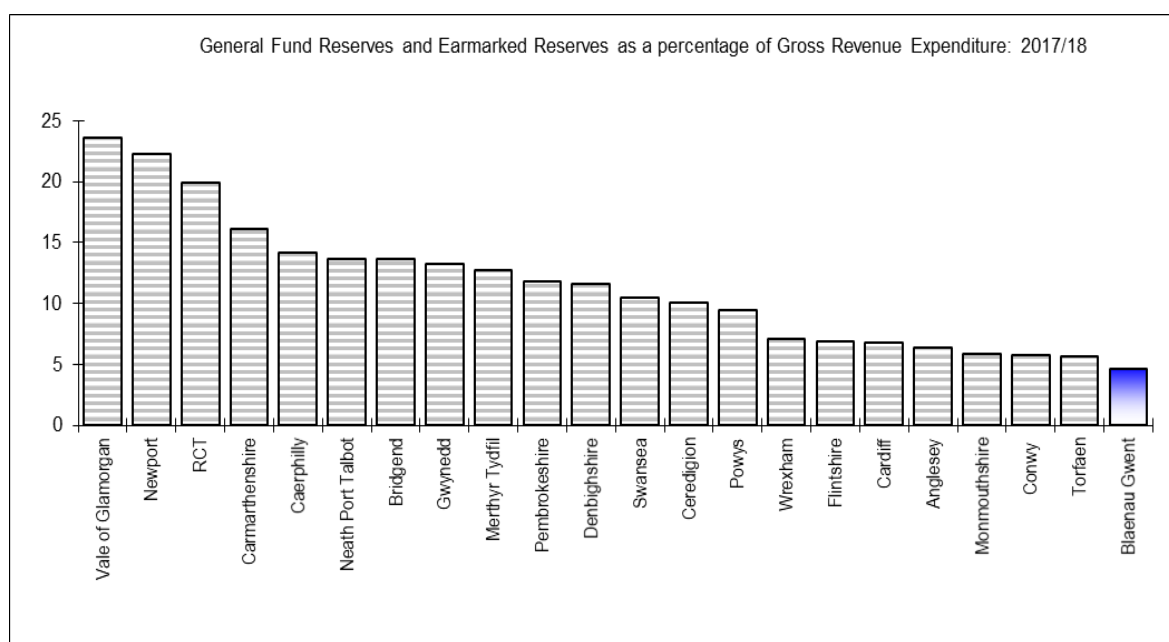


Exhibit 2



Careful consideration of reserves balances and how they might be used to support financial plans is particularly important as it is not sustainable to rely on reserves to support ongoing costs. Once reserves have been depleted, other sources of funds or efficiencies must be identified.

The Council has a high proportion of current liabilities versus current assets

The Council currently has a practice of taking out short-term loans to replace its long-term loans as they come to an end. Officers have taken this decision (with advice from external advisors) as the interest rates available on short-term loans are more favourable at this present time. Consequently, at 31 March 2018 the Council has a high level of short term borrowing standing at £68.4 million and means that its current ratio (proportion of current assets to current liabilities) at that point in time was 0.28. Generally, any current ratio below 1% would indicate a cause for concern, as in principle it means that an entity cannot cover its current liabilities from its liquid assets. Whilst we understand that the Council at present always has the option of taking out loans with the Public Works Loan Board (PWLB), and that this mitigates the risk somewhat, the Council should consider whether this level of short term borrowing is appropriate and has been risk assessed.

The Council is currently predicting a revenue outturn deficit in 2018/19

For 2018-19, the Council has set a budget of £145.4 million and plans to draw further on reserves by using £0.8 million in year to break even. At the end of month 6 (September 2018) the latest budget report is forecasting an overspend of £1.17 million due to a large extent to projected overspend on Children's Services (which has seen a large increase in looked after children numbers). The month 6 report indicates that the Council is taking measures to reduce this forecast overspend, but as things stand there is the potential for a further reduction of reserves by £1.97million by the end of March 2019.

In setting the 2018-19 budget seventy 'Financial Efficiency Projects' were identified and approved seeking to achieve savings of £3.78 million. The month 6 report predicts that of this target £3.49million (92%) savings will be made.

The medium term financial plan identifies significant cost pressures, and suggests operating as it has in the past is unlikely to be viable

Significant financial challenges remain for all local authorities in Wales, but as the summary above indicates they are particularly challenging at Blaenau Gwent. The Council's Medium Term Financial Strategy identifies a 'budget gap' of £18.4 million over the 4 years 2018-19 to 2021-22, which given the level of reserves available, suggests that the status quo and operating as it has in the past is unlikely to be viable. We will continue to work with the Council as part of our Financial Resilience work and we will monitor the Council's financial position closely over the next 12 months and beyond.

My work to date on certification of grant claims and returns has not identified significant issues that would impact on the accounts or key financial systems

I have begun my audit of the 2017-18 grants. There was a key change this year as a number of previous grants were amalgamated into one Summary Return. I will report the outcomes of our grants work in early 2019 when the programme of certification work is complete. Based on the grants work to date I have not identified any significant issues that would impact on the accounts or key financial systems.

Yours sincerely

Derwyn Owen

For and on behalf of the Auditor General for Wales

**cc Michelle Morris, Managing Director
Rhian Hayden, s151 officer**

Appendix 3

National report recommendations 2018-19

Exhibit 2: national report recommendations 2018-19

Summary of proposals for improvement relevant to local government, included in national reports published by the Wales Audit Office, since publication of the last AIR.

Date of report	Title of review	Recommendation
October 2018	<u>Procuring Residual and Food Waste Treatment Capacity</u>	<p>R1 The projections for the three residual waste projects in the Programme assume that, across the 14 councils involved, the overall amount of residual waste will increase through the lifetime of the contracts. If these projections are accurate then something significant would have to occur beyond 2040 to reach zero waste across these council areas by 2050. If the projections are not accurate then there is the risk that councils will pay for capacity they do not need. We recommend that the Welsh Government:</p> <ul style="list-style-type: none"> • in reviewing the Towards Zero Waste strategy, considers how its ambition of there being no residual waste by 2050 aligns with current projections for residual waste treatment; and • works with councils to consider the impact of changes in projections on the likely cost of residual waste projects and any mitigating action needed to manage these costs. <p>R2 The Welsh Government’s programme support to date has mainly focused on project development and procurement.</p>

Date of report	Title of review	Recommendation
		<p>Now that most of the projects are operational, the focus has shifted to contract management. We recommend that the Welsh Government continue its oversight of projects during the operational phase by:</p> <ul style="list-style-type: none"> • building on its existing model of providing experienced individuals to assist with project development and procurement and making sure input is available to assist with contract management if required; • setting out its expectations of councils regarding contract management; • ensuring partnerships revisit their waste projections and associated risks periodically, for example to reflect updated population projections or economic forecasts; and • obtaining from partnerships basic management information on gate fees paid, amount of waste sent to facilities and quality of contractor service.
November 2018	<u>Local Government Services to Rural Communities</u>	<p>R1 Socio economic change, poor infrastructure and shifts in provision of key services and facilities has resulted in the residualisation of communities in rural Wales. We recommend that Welsh Government support public bodies to deliver a more integrated approach to service delivery in rural areas by:</p> <ul style="list-style-type: none"> • refreshing rural grant programmes to create sustainable financial structures, with multi-year allocations; and • helping people and businesses make the most of digital connectivity through targeted and more effective business and adult education support programmes. <p>R2 The role of Public Service Boards is evolving but there are opportunities to articulate a clearer and more ambitious</p>

Date of report	Title of review	Recommendation
		<p>shared vision for rural Wales (see paragraphs 2.2 to 2.9 and 2.28 to 2.31). We recommend that PSB public services partners respond more effectively to the challenges faced by rural communities by:</p> <ul style="list-style-type: none"> • assessing the strengths and weaknesses of their different rural communities using the Welsh Governments Rural Proofing Tool and identify and agree the local and strategic actions needed to support community sustainability; and • ensuring the Local Well-Being Plan sets out a more optimistic and ambitious vision for ‘place’ with joint priorities co-produced by partners and with citizens to address agreed challenges. <p>R3 To help sustain rural communities, public services need to think differently in the future (see paragraphs 3.1 to 3.12). We recommend councils provide a more effective response to the challenges faced by rural communities by:</p> <ul style="list-style-type: none"> • ensuring service commissioners have cost data and qualitative information on the full range of service options available; and • using citizens’ views on the availability, affordability, accessibility, adequacy and acceptability of council services to shape the delivery and integration of services. <p>R4 To help sustain rural communities, public services need to act differently in the future (see paragraphs 3.1 to 3.12). We recommend councils do more to develop community resilience and self-help by:</p> <ul style="list-style-type: none"> • working with relevant bodies such as the Wales Co-operative Centre to support social enterprise and more collaborative business models;

Date of report	Title of review	Recommendation
		<ul style="list-style-type: none"> • providing tailored community outreach for those who face multiple barriers to accessing public services and work; • enhancing and recognising the role of town and community councils by capitalising on their local knowledge and supporting them to do more; • encouraging a more integrated approach to service delivery in rural areas by establishing pan-public service community hubs, networks of expertise, and clusters of advice and prevention services; • enabling local action by supporting community asset transfer identifying which assets are suitable to transfer, and having the right systems in place to make things happen; and • improving community-based leadership by developing networks of interest, training and coaching, and encouraging volunteering.
November 2018	<p><u>Waste Management in Wales: Municipal Recycling</u></p>	<p>R1 Benchmarking work has found that the cost of certain waste management services show surprising variation (paragraphs 1.31-1.39). The Welsh Government should work with councils to understand better the basis of the variation in spending on waste management services that are fundamentally the same and ensure that waste management costs are accounted for in a consistent way.</p> <p>R2 The Welsh Government believes that, if applied optimally, its Collections Blueprint offers the most cost-effective overall means of collecting recyclable resources but is planning further analysis (paragraphs 1.40-1.51). When undertaking its further analysis to understand better the reasons for differences in councils' reported costs, and the impact</p>

Date of report	Title of review	Recommendation
		<p>on costs where councils have adopted the Collections Blueprint, we recommend that the Welsh Government:</p> <ul style="list-style-type: none"> • explores how the cost of collecting dry recyclables may affect the overall cost of providing kerbside waste management services to households; and • compares the actual costs with the costs modelled previously as part of the Welsh Government-commissioned review of the Collections Blueprint for councils that now operate the Collections Blueprint. <p>R3 The Welsh Government has undertaken to consider alternatives to the current weight-based recycling targets which can better demonstrate the delivery of its ecological footprint and carbon reduction goals (paragraphs 2.38-2.45). We recommend that the Welsh Government replace or complement the current target to recycle, compost and reuse wastes with performance measures to refocus recycling on the waste resources that have the largest impact on carbon reduction, and/or are scarce. We recognise that the Welsh Government may need to consider the affordability of data collection for any alternative means of measurement.</p> <p>R4 In refreshing Towards Zero Waste, the Welsh Government needs to show that wider sustainability benefits sought through municipal recycling offer value and cannot be more readily attained in other ways and at lower cost including, but not necessarily limited to, other waste management interventions (paragraphs 2.52-2.53). The Welsh Government should demonstrate in the revised waste strategy that not only is it possible to recycle a greater proportion of municipal waste, but how doing so maximises its contribution to achieving its sustainable development objectives.</p>

Date of report	Title of review	Recommendation
November 2018	<u>Provision of Local Government Services to Rural Communities: Community Asset Transfer</u>	<p>R1 Local authorities need to do more to make CATs (Community Asset Transfers) simpler and more appealing, help build the capacity of community and town councils, give them more guidance in raising finance, and look to support other community development models such as social enterprises that support social value and citizen involvement. In addition, we recommend that local authorities monitor and publish CAT numbers and measure the social impact of CATs.</p> <p>R2 Local authorities have significant scope to provide better and more visible help and support before, during, and after the community asset transfer process. We conclude that there is considerable scope to improve the business planning, preparation, and aftercare for community asset transfer. We recommend that local authorities:</p> <ul style="list-style-type: none"> • identify community assets transfer’s role in establishing community hubs, networks of expertise and clusters of advice and prevention services; • work with town and community councils to develop their ability to take on more CATs; • identify which assets are suitable to transfer, and clarify what the authority needs to do to enable their transfer; • ensure their CAT policy adequately covers aftercare, long term support, post transfer support, signposting access to finance, and sharing the learning about works well; and • support community-based leadership by developing networks of interest, training and coaching, and encouraging volunteering.

Date of report	Title of review	Recommendation
December 2018	<u>The maturity of local government in use of data</u>	<p>R1 Part 1 of the report highlights the importance of creating a strong data culture and clear leadership to make better use of data. We recommend that local authorities:</p> <ul style="list-style-type: none"> • have a clear vision that treats data as a key resource; • establish corporate data standards and coding that all services use for their core data; • undertake an audit to determine what data is held by services and identify any duplicated records and information requests; and • create a central integrated customer account as a gateway to services. <p>R2 Part 2 of the report notes that whilst it is important that authorities comply with relevant data protection legislation, they also need to share data with partners to ensure citizens receive efficient and effective services. Whilst these two things are not mutually exclusive, uncertainty on data protection responsibilities is resulting in some officers not sharing data, even where there is agreement to provide partners with information. We recommend that authorities:</p> <ul style="list-style-type: none"> • provide refresher training to service managers to ensure they know when and what data they can and cannot share; and • review and update data sharing protocols to ensure they support services to deliver their data sharing responsibilities. <p>R3 In Part 3 of our report, we conclude that adequate resources and sufficient capacity are ongoing challenges. However, without upskilling staff to make better use of data, authorities are missing opportunities to improve their efficiency and effectiveness. We recommend that authorities:</p>

Date of report	Title of review	Recommendation
		<ul style="list-style-type: none"> • identify staff who have a role in analysing and managing data to remove duplication and free up resources to build and develop capacity in data usage; and • invest and support the development of staff data analytical, mining and segmentation skills. <p>R4 Part 4 of our report highlights that authorities have more to do to create a data-driven decision-making culture and to unlock the potential of the data they hold. We recommend that local authorities:</p> <ul style="list-style-type: none"> • set data reporting standards to ensure minimum data standards underpin decision making; and • make more open data available.
March 2019	<u>Waste Management in Wales - Preventing waste</u>	<p>R1 Increasing the focus on waste prevention to reflect the overall aims of Towards Zero Waste.</p> <p>Available data on the amount of waste produced suggests mixed progress to deliver the Welsh Government’s waste prevention targets. We recommend that the Welsh Government:</p> <ol style="list-style-type: none"> a) revisits the relative priority it gives to recycling and waste prevention as part of its review of Towards Zero Waste; b) sets out clearly the expectations on different organisations and sectors for waste prevention; and c) revisits its overall waste prevention targets and the approach it has taken to monitor them in light of progress to date, examples from other countries and in the context of current projections about waste arising through to 2050. <p>R2 Improving data on commercial, industrial, construction and demolition waste</p> <p>The Welsh Government is a partner in initial work to assess the feasibility of developing a new digital solution to track all waste. If this preferred option does not succeed, we recommend that the</p>

Date of report	Title of review	Recommendation
		<p>Welsh Government works with Natural Resources Wales to explore the costs and benefits of other options to improve non-municipal waste data in Wales, including additional powers to require waste data from businesses.</p> <p>R3 Enhancing producer responsibility and using more legal, financial and fiscal levers.</p> <p>The Welsh Government has opportunities to influence waste prevention through legislation and financial incentives. It can also influence changes at UK level where fiscal matters are not devolved. We recommend that the Welsh Government consider whether provisions to extend producer responsibility and the use of financial powers such as grant conditions, fiscal measures and customer charges and incentives, are needed to promote and to prioritise waste prevention.</p>
June 2019	<p><u>The Effectiveness of Local Planning Authorities in Wales</u></p>	<p>R1 Part 1 of the report sets out the complexities of the planning system showing how challenging it is for local planning authorities to effectively engage with and involve stakeholders in choices and decisions. To improve involvement with stakeholders and ownership of decisions we recommend that:</p> <p>Local planning authorities:</p> <ul style="list-style-type: none"> • test current engagement and involvement practices and consider the full range of other options available to ensure involvement activities are fit for purpose; • use 'Place Plans' as a vehicle to engage and involve communities and citizens in planning choices and decision making; and • improve transparency and accountability by holding planning meetings at appropriate times, rotating meetings to take place in areas which are subject to proposed development, webcasting meetings and providing opportunities for stakeholders to address committee meetings.

Date of report	Title of review	Recommendation
		<p>Welsh Government:</p> <ul style="list-style-type: none"> • – review the Development Management Procedure Order 2012 and update the engagement and involvement standards for local planning authorities. <p>R2 Part 2 of the report highlights that local planning authorities have been subject to significant reductions in funding and struggle to deliver their statutory responsibilities. To improve resilience, we recommend that local planning authorities:</p> <ul style="list-style-type: none"> • review their building control fee regimes to ensure the levels set, better reflect the actual cost of providing these services and make the service self-funding; and • improve capacity by working regionally to: <ul style="list-style-type: none"> – integrate services to address specialism gaps; – develop joint supplementary planning guidance; and – develop future local development plans regionally and in partnership with other local planning authorities. <p>R3 Part 2 of the report highlights that the cost of development control services is not reflected in the charges set for these services and progress in developing regional responses to strengthen resilience has been slow. We recommend that the Welsh Government:</p> <ul style="list-style-type: none"> • reviews development control fees to ensure the levels set, better reflect the actual cost of providing these services; and • consider how to use the powers in the Planning (Wales) Act to support and improve local planning authority capacity and resilience.

Date of report	Title of review	Recommendation
		<p>R4 Part 3 of the report summarises the effectiveness and impact of local planning authorities decision making and how well they are performing against national measures. We recommend that local planning authorities improve the effectiveness of planning committees by:</p> <ul style="list-style-type: none"> • reviewing their scheme of delegation to ensure planning committees are focussed on the most important strategic issues relevant to their authority; • revising reporting templates to ensure they are clear and unambiguous to help guide decision making and reduce the level of officer recommendations overturned; and • enforcing the local planning authorities' standards of conduct for meetings. <p>R5 Part 4 of the report identifies the central role of planning to delivering the ambitions of the Wellbeing of Future Generations Act. We recommend that local planning authorities:</p> <ul style="list-style-type: none"> • set a clear ambitious vision that shows how planning contributes to improving wellbeing; • provide planning committee members with regular and appropriate wellbeing training and support to help deliver their wider responsibilities; • set appropriate measures for their administration of the planning system and the impact of their planning decisions on wellbeing; and • annually publish these performance measures to judge planning authorities impact on wellbeing.

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

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: post@archwilio.cymru

Gwefan: www.archwilio.cymru