



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

# Annual Improvement Report

## **Cardiff 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 Cardiff 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](mailto: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 Steve Barry and Janet Villars 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](mailto:info@wao.gov.uk), or see website [www.wao.gov.uk](http://www.wao.gov.uk).

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# What kind of area is Cardiff?

- 1 Cardiff is the capital city of Wales, and covers a geographic area of 140 square kilometres. The city is built on a coastal plain rising to hills above the northern city suburbs. Surrounding the city is open countryside, leading to the Vale of Glamorgan in the west, Newport in the east and Rhondda Cynon Tâf and Caerphilly in the north. Cardiff is also a major tourism centre with 14.6 million visitors in 2009.
- 2 Based on the latest mid-year estimate (2009) the population of Cardiff is 336,238. Population projections estimate the total population will increase to 468,181 by 2033. Cardiff Council (the Council) believes that the 2001 population census, from which estimates have been based, underestimated the number of people in Cardiff. This is important because population figures are one of the factors considered when financial allocations are made. The Council is therefore encouraging citizens to complete census forms when the next census takes place in March 2011.
- 3 The city has an estimated 124,500 households comprising approximately 69 per cent owner occupiers, 17 per cent living in social rented housing and 13 per cent living in the private rented sector. The age profile of the population includes around 60,000 children (aged 0 - 16) and around 44,000 older people (aged 65 and over). The Council estimates that the student population represents around 10 per cent of the total population which has a bearing on the proportion of the population aged between 20 and 29, this age group comprising 21 per cent of the population in comparison to 12 per cent for the rest of south east Wales.
- 4 Forty per cent of the city's workforce commutes from other parts of South Wales. The M4 is the principal motorway that connects Cardiff with Bridgend, and Swansea to the west, and Newport, Bristol and London to the east. The A470 provides an important link with the south Wales valleys, mid and north Wales.
- 5 Public administration, education and health are the largest employment sectors in Cardiff, providing jobs for 32 per cent of the city's workforce. The city is the main centre in Wales for financial and business services which employ 20 per cent of the city's workforce. Another 20 per cent of the workforce is based in the distribution, hotels and restaurants sectors, demonstrating the increasing importance of retail and tourism industries in the city.

geographic area

140 km<sup>2</sup>

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population

336,238

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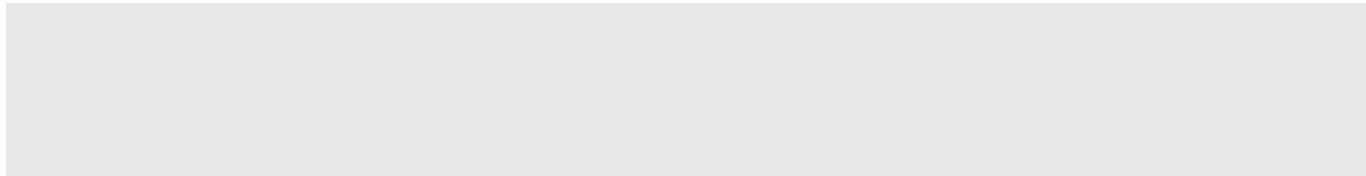
60,000 aged 0-16

44,000 aged >65

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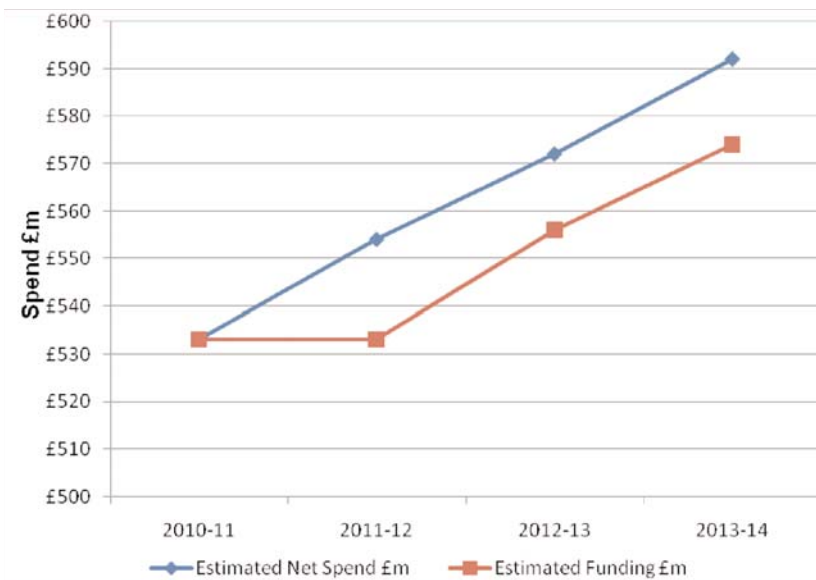
## Is Cardiff Council well managed?

- 6 Managing such a large organisation with its diverse range of services is complex. In August of last year the Wales Audit Office produced a Corporate Assessment report which gives some detail on how the Council is organised and managed. Our findings are set out in [Appendix 3](#). The whole report can be found on the Council's website or on the Wales Audit Office's website at [www.wao.gov.uk](http://www.wao.gov.uk).
- 7 The overall conclusion of that report was: the Council's approach to improvement is developing well, supported by largely effective arrangements and strong leadership.
- 8 In other words the Council is generally well managed and at the time of our work was introducing significant changes in the way it provides its services. There is clear and firm leadership within the Council and finances are managed effectively. The Council's approaches to managing risk and managing its staff are also generally positive. However, the Council does not always use ICT well and it recognised there were weaknesses in the way it manages its buildings and was beginning to address them. During the next year, we will be reviewing the progress the Council has made in its use of ICT and the management of its buildings.
- 9 The Council has well established performance reporting and review arrangements but has recognised the need to develop them further so outcomes for service users became clearer and so that it could identify whether the intended benefits of its change programme were being achieved.
- 10 Due to the financial climate, almost all public services face reductions in funding. Revenue funding is the money that Councils spend running and managing their services. The Comprehensive Spending Review on the Assembly Government's overall budget to 2014-15 indicates that the Council will see an increase of around £199,000 (0.1 per cent) in the revenue funding it gets from the Assembly Government for 2011-12. Once inflation is factored in, that means a real terms cut of around £7.4 million (1.9 per cent). Indicative Assembly Government figures show further real terms reductions in the Council's revenue funding for 2012-13 and 2013-14.
- 11 The Council set a revenue budget of around £517 million in 2009-10. In 2010-11 the budget was set at around £533 million. The auditor appointed by the Auditor General recently confirmed that the Council's financial statements presented a true and fair view of the Council's and the Pension Fund's financial transactions.
- 12 The Council continues to develop and refine its approach to medium term financial planning. Over the summer and early autumn the Council has undertaken further work to assess its likely revenue resource requirements in the future. The budget requirement is predicted to grow to around £554 million for 2011-12 and to £572 million the year after. At the same time the Council predicts that its income streams will decrease in the future. It predicts a shortfall of £21.5 million in 2011-12, £16.3 million in 2012-13 and £18.2 million in 2013-14.



**Exhibit 1: Predicted budget spend requirement and resources available 2010-11 to 2012-13**

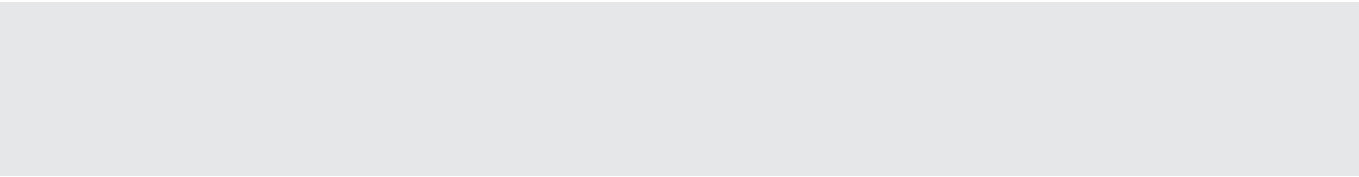
The Council has identified the gap between estimated funding needs and anticipated funding which is helping it plan the savings and spending reduction necessary for the future



Source: Budget Proposals 2010/11 Medium Term Financial Plan

- 13 The Council's budget has been well-managed in recent years. This places the Council on a sound footing going forward into a period of significant change and financial cuts as it has a track record of making sure its services are delivered with the resources it has available.
- 14 In recent years the Council has been working on a range of options to secure savings. Largely the proposals relate to:
  - improving the efficiency of the delivery of council services by means of the transformation programme and reducing the timescale of the programme to three to five years rather than the original three to eight years to generate a significant level of savings for 2010-11; and
  - a service efficiency savings strategy.

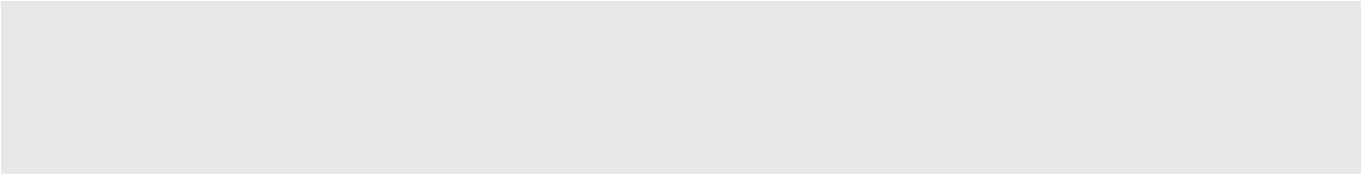


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- 15 The Council anticipates that its proposals will result in sufficient cost savings to achieve a balanced revenue budget over the next three years.
- 16 Capital funding is the money that councils spend on infrastructure, for example new buildings and new equipment. The Comprehensive Spending Review on the Assembly Government's overall budget to 2014-15 indicates the capital funding available to the Council is set to reduce considerably. Because councils make bids 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 will fall by 14 per cent in 2011-12 (a real terms cut of 18.5 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.
- 17 In 2010-11 the Council capital programme required £136.2 million and it has identified an indicative programme of £113.5 million in 2011-12 and £82.2 million for 2012-13. The Council has also identified the need to make tough choices because of the anticipated reduction in the funding it has for capital spending in the future. It has identified that it needs to spend in the region of £75 million to address a maintenance and improvement backlog in its own buildings as well as £19 million annually to maintain highways, traffic signals, bridges and street lighting. This was in addition to pressures to spend on waste management, disabled facilities grants and the development of the transportation infrastructure of the city. The Council will be making decisions about how it uses available capital resources in the coming months.
- 18 The Council has funded its capital programme from a combination of borrowing and the use of capital receipts. Limits on borrowing are set and can be subject to specific controls by central government and the Assembly Government.

# Does Cardiff Council know what it needs to do to improve?

- 19 The Assembly Government requires all councils to publish plans for improving what they do and how they do it. Councils must also publish a list of the main priorities that they are aiming to improve each year. The Council has, for some time, worked in partnership with a range of key partners in the Proud Capital Vision Forum (the Forum) to develop a common vision for the area and to agree the priority actions necessary to achieve that vision. The Forum which is chaired by the Leader of the Council, brings together representatives of the public sector, the private sector and voluntary organisations.
- 20 The Forum has adopted seven strategic outcomes that all partners intend to work towards which the Council has reflected in its 2010-2013 Corporate Plan published in April 2010. The outcomes sought are that:
- people in Cardiff are safe and feel safe;
  - Cardiff has a thriving and prosperous economy;
  - people in Cardiff achieve their full potential;
  - Cardiff is a great place to live, work and play;
  - people in Cardiff have a clean, attractive and sustainable environment;
  - people in Cardiff are healthy; and
  - Cardiff is a fair, just and inclusive society.
- 21 In addition to these seven the Council has identified an eighth, to reflect a commitment to working in partnership:
- The Council delivers improved outcomes for the city and its citizens through strong partnerships.
- 22 The Corporate Plan identifies the key priorities associated with each of the strategic outcomes and sets out the measures that will be used to help the Council know if it is making a difference. This year the Council revised the structure of its Corporate Plan, making the intended outcome for citizens clearer. It also intends to produce a 'Policy into Action Delivery Plan' (the Plan) which will bring together the service activities that contribute to achieving its key priorities. The Plan is not yet in place, but the expectation is that it will better enable members and senior managers to focus on how well priorities are being delivered, by highlighting specific activities from the Service Area Business Plans that are used to direct the activity of individual services across the Council.
- 23 The Council is also in the process of making sure Service Area Business Plans align with the revised structure of the Corporate Plan, and that planned activity takes account of the financial challenges facing the Council.
- 24 Although priority for action is clear, the Council has recognised it needs to develop measures that better allow it to evaluate the outcome of activity for citizens. Some of the current measures assist evaluation, such as measures around waste management, but there are other intended outcomes, such as 'a fair, just and inclusive society' where success is far more difficult to evaluate and current measures described are narrowly focused on the standard of council housing.



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- 25 The Council has been asking citizens to let it know their priorities for several years and the Corporate Plan shows the link between what citizens have identified as important and what the Council proposes to do. The Council and its partners are coordinating the way in which they seek the views of citizens by means of 'Ask Cardiff' a project involving partners on the Local Service Board which gathers views of service users about particular topics via the Ask Cardiff website.
- 26 The Council is beginning to embed the 'Transforming Neighbourhoods' management approach. This establishes a local Area Forum which brings together different service providers in collaboration with local communities to identify issues of local importance and, where, possible co-ordinate action to address them. Transforming neighbourhoods is viewed as an important development in improving the delivery of local services particularly in regenerating local neighbourhoods and reducing crime and anti social behaviour. The Council is seeking views about the approach and the ways in which it might develop in the future.
- 27 As part of our work we tested the Council's systems for gathering and reporting performance indicators and we have found that overall systems are reliable. If it is to identify whether intended outcomes are being achieved the Council needs to look at a wider range of information. It is developing its approach so that it is better able to do this. For example it has developed information about areas of Cardiff by bringing together information held by a number of different organisations. The next step will be to develop ways to evaluate the outcome of action taken.

# Is Cardiff Council serving people well?

- 28 Through the Auditor General’s 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 themes of life in Cardiff. We think that together, these themes cover the main things that councils do. They are:
- helping to support people in need;
  - helping people develop; and
  - helping to create a safe, prosperous and pleasant place to live.
- 29 We have taken one of the Council’s own objectives under each of these themes and looked at some of the work it is doing to deliver them. **Exhibit 2** summarises the areas we have looked at.
- 30 We chose these objectives because together they span several key areas of the Council’s responsibilities. The first two are easier to measure than the third objective because ‘a fair, just and inclusive society’ can mean different things to different people and depends in part on how safe people feel. Overall, if the Council has chosen to make things a priority, then it should be able to measure its impact in terms of how they affect local people.
- 31 We will look at other improvement objectives the Council is setting itself in our report next year.

## Exhibit 2: Improvement and Council objectives

Wales Audit Office themes	Council objective	Service area we looked at
Helping to support people in need	Cardiff is a fair, just and inclusive society. The Council delivers improved outcomes for the city and its citizens through strong partnerships.	Implementing the Young Carers’ Strategy which was part of the Council’s Improvement Agreement with the Assembly Government.
Helping people develop	People in Cardiff achieve their potential.	Improving school attendance
Helping to create a safe, prosperous and pleasant place to live	Cardiff is a fair, just and inclusive society.	Cardiff Neighbourhood Management Model

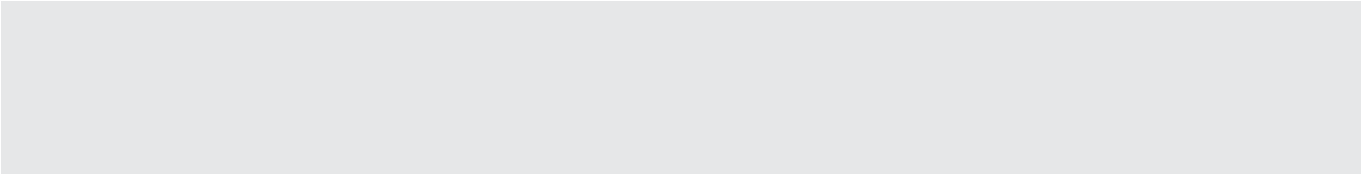
## Is Cardiff Council supporting people in need?

- 32 Cardiff has a population that is growing and is likely to continue to grow. The population is ageing and people in the city have an increased life expectancy. The population is diverse and has a very wide range of needs, issues and cultures. This provides challenges not present in most other Welsh authorities and the authority has invested in ensuring it can respond to these.
- 33 The following points provide a brief overview of Cardiff drawn from the Welsh Health Survey 2009:
- proportionally fewer people in Cardiff reported having a limiting long term illness (22 per cent) than the Welsh average (27 per cent);
  - the percentage of people in Cardiff reported as being obese (18 per cent) is slightly lower than the Welsh average (21 per cent);
  - currently around 9 per cent of the population over 16 years of age have a mental health condition which is the same as the Welsh average; and
  - the 2008-2009 estimated levels of alcohol misuse (339 per 100,000 population) and drug misuse (265 per 100,000 population) are below the Welsh averages.
- 34 In terms of housing people, the Council is making steady progress towards achieving the Welsh Housing Quality Standard for the homes it owns and the rate of additional affordable housing provision in Cardiff has consistently been well above the Wales average in recent years. Data for dealing with homelessness presents a mixed picture, in 2009-10 the Council discharged its duty to 507 households with 83 per cent of decisions being made within 33 working days. This was the highest number of households where duties were discharged although data shows the average time for discharge of duty in Cardiff at 172 days to be higher than the average of 121 days across Wales.
- 35 In relation to the speed with which the Council supports people in need, reported data indicates that the Council took an average of 189 calendar days taken to deliver a Disabled Facilities Grant, one of the fastest delivery times in Wales. The average number of days the Council took between an initial enquiry about providing care for an adult and completion of an individual care plan in 2009-10 was just over 30 days. This has improved and is around the average for Wales.
- 36 The role of the Care and Social Services Inspectorate in Wales (CSSIW) is to make professional assessments and judgments about social care, early years and social services and so encourage improvement by the service providers. Under new legislation there is a new framework in place for local authority social services inspection, evaluation and review.
- 37 In 2010 Directors of social services were required to produce a self-assessment report on how well services were being delivered during 2009-10. The CSSIW undertook a review of the report, to assess key strengths and areas for development from which it prepares an individual inspection and review plan for each council. The CSSIW's analysis showing key strengths and the specific areas in need of development is available in more detail on its website. The key messages are summarised below.
- 38 The CSSIW found evidence of strong leadership and accountability at the Council and clear priorities that provided a structure for performance and business planning. A number of new initiatives designed to improve services were identified but the Council needed to ensure that it could demonstrate improved outcomes for its service users as a result of the action it was taking.

- 39 The protection of vulnerable adults was recognised as a high priority for the Council and it was in the process of implementing the recommendations made by CSSIW following its review of arrangements in December 2009.
- 40 Performance indicators suggest the Council is helping more people to live at home, it has plans to assist more people to remain independent and will assess the impact of its actions during 2010-11. The number of people aged over 75 years whose discharge from hospital is delayed remains high and the Council has identified some of the issues that are contributing to this and is working with health partners to address barriers to discharge and timely care package provision. The Council has a strong ethos of promoting service user engagement but recognises there is room for improvement for engaging service users, improving outcome based planning and engaging with hard to reach groups.
- 41 In October 2009 CSSIW undertook a review of arrangements for safeguarding children having regard to a self analysis completed by the Council. The Council's own self analysis indicated a realistic understanding of the quality of services and concurred with the findings of the review. Safeguarding children was found to be a priority for the council. The review found signs of improving performance in terms of timeliness and compliance with legislation and guidance although the quality of work undertaken remained inconsistent. A range of specific strengths and areas for improvement were outlined in the report.
- 42 In children's services identified strengths are the ability to achieve improvement in some areas of performance, for example in the initial response to referral and reviewing of cases, and the changes it is making to the pattern of service provision which are increasing flexibility and choice. Key areas for improvement are to continue to improve the timeliness and quality of assessment and care management practice in addition to improving the health and educational outcomes for looked after children and care leavers.
- 43 The CSSIW believes that the Council has shown a commitment to prioritising investment in children's services. Strategic planning is leading to the development of new services and some new partnerships with health. The Council needs to ensure it is able to monitor the outcomes delivered by implementation of its commissioning and placement strategies. The need for further development of arrangements to improve the quality of performance in child protection, improve the health and educational outcomes for children looked after and care leavers and engagement of children, young people and their parents/carers in the care planning process was identified.

## Is the Council improving the support provided to young carers?

- 44 The Council and its partners have been identifying young carers, beginning to assess and provide for their needs and develop the ways in which the impact of what is being done can be evaluated. Whilst the Council is not yet able to demonstrate the outcome of what it is doing for young carers it is putting the essential elements in place.
- 45 Young carers are those aged under 18 who have caring responsibilities for someone who has a physical or mental illness, a physical or learning disability, or a drug or alcohol problem. The majority care for a parent but they may be caring for a sibling, grandparent or other family member. Many young people and their families find this important role a positive and rewarding experience but young carers risk being in a situation where these responsibilities are inappropriate and begin to affect their own wellbeing and education. The Council and its partners want to make sure that they work effectively together in meeting the needs of young carers, supporting them both as young people and in their caring role. To do this the Council has firstly to identify young carers and then assess their needs.
- 46 The Council is a member of the Cardiff Children and Young People's Partnership which developed the 2009 Joint Young Carers Strategy. The number of young carers identified in the 2001 Census was around 1,000 although the work the partnership has done suggests the possibility of this number being as high as 3,000. Over the last three years the statutory performance indicators published by the Council show the percentage of young carers known to the Council receiving an assessment falling from 70.6 per cent to 68.4 per cent. Looking at the percentage only, does not always give the complete picture because as the Council identifies more people who might benefit so the proportion assessed can fall. The total number of young carers assessed each year has increased from 12 three years ago to 50 in the past year.
- 47 The strategy identifies seven indicators that will help the Council improve the way it monitors the quality of its services for young carers. Whilst these indicators will give a broad picture of what is happening the Council and its partners have recognised that outcome focused indicators need to be developed. Towards the end of the year the Council and its partners plan to develop a new performance management framework which will focus more on outcomes and how well the service is working.
- 48 This year the Council has focused on improving awareness, enabling young carers, social workers, teachers and other council workers to access services. The Council's Children's Services team recognise that there is still a substantial amount of promotional work needed to ensure involved professionals and young carers are given confidence to access services and receive entitlements.
- 49 Recognising the need to substantially improve the information that is available to inform its decision making processes, over the last year, the Council has undertaken several audits. These audits have looked at different aspects of providing services to young carers including the issues facing young carers in primary schools and improving the use of CareFirst records.

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- 50 Children's Services have recognised that to improve the way they monitor the quality of their work, they need to move away from just counting things like the number of young carers assessed and focus more on outcomes – that is whether people have genuinely been helped by the service. This approach is in its early stages and the Council is committed to developing and embedding this approach.
- 51 The Council has increased budgets for services for young carers. The additional high intensity support service commissioned by the Council from Action for Children is an example of this approach. Although some services, such as the development officer post are funded through Cymorth funding which will cease in 2011.
- 52 We will be evaluating the impact of what has happened next year.



## Is Cardiff Council helping people develop?

- 53 In 2009 41.7 per cent of working age adults had qualifications at NQF level 4 or above, this was well above the Welsh average of 29.6 per cent and gave the Council the second highest percentage in Wales. The percentage of working age adults with no qualifications has gradually fallen since 2001. The percentage of working age adults with no qualifications in Cardiff was 11.8 per cent in 2008, below the Wales average of 14.6 per cent.
- 54 The number of visits to public libraries in Cardiff in 2008-09 was around 8,600 per thousand population, which was one of the highest rates amongst all 22 Welsh local authorities, and higher than the Welsh average of around 5,900 visits per thousand population.
- 55 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 scheme has been implemented. This 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.
- 56 In 2009, 15.9 per cent of the population of Cardiff had the ability to speak Welsh, compared with 25.6 per cent of the population of Wales. In 2009, 9.2 per cent of pupils were assessed in Welsh first language at key stage 3 (KS3 11 to 14 years old), this is below the Welsh average of 15.9 per cent and that year. 11.2 per cent of pupils were assessed in Welsh first language at key stage 2 (KS2 7 to 11 years old), this is below the Welsh average of 19.1 per cent.
- 57 The Board has praised the Council for the report and recommendations published by the Children and Young People's Scrutiny Committee on the provision of play and leisure activities through the medium of Welsh. The Council was also praised for its internal and external monitoring procedures. The Board has found that the Council's website, electoral documentation and statutory and recruitment adverts mostly comply with the Welsh Language Scheme (WLS). There were three issues relating to the website that the Board have asked the Council to address. The Board has also found that the majority of the complaints it receives about the Council are about the translation of bilingual materials and signage. The Council will therefore need to address these issues or risk failing to comply with its own WLS.
- 58 Core subject indicator (CSI) attainment is the percentage of all KS2 pupils who achieve the expected level in English or Welsh first language, mathematics and science in combination, and is sourced from the National Curriculum Assessment results submitted to the Assembly Government by schools. The percentage of pupils achieving CSI at KS2 in Cardiff in 2009 was 78.8 per cent. This is above the Welsh average of 77.0 per cent. The percentage of pupils achieving the CSI at KS2 has risen since 1999.
- 59 In council maintained schools 1.4 per cent of all pupils aged 15 (including those in council care) leave education, training or work based learning without an approved external qualification, this is below the Wales average of 0.9 per cent. The majority of other councils in Wales are achieving better results than this.

60 Estyn, Her Majesty's Inspectorate for 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. An inspection is scheduled for the beginning of 2011. The inspection report will be available on the Estyn website and we will also be reporting on the outcome next year.

### Is the Council helping to improve school attendance?

61 The Council's priorities include implementing a Youth Engagement Strategy to improve attendance, behaviour and youth engagement with education and training. Although it has been improving, school attendance is one of ten priorities for the Council's Schools and Lifelong Learning Service. The Council is developing new ways of delivering the service and in measuring its impact. In developing better measures for school attendance the Council should be able to show what it is doing and the difference this is making.

62 Currently, the percentage of pupil attendance stands at 93 per cent for primary schools and 91 per cent for secondary schools. The secondary school attendance is improving although Cardiff's performance does not compare favourably with others in Wales being nineteenth out of the 22 local authorities.

63 There are a variety of reasons for a pupil not attending school, which has led the Council to move away from its traditional centralised support to the development of local solutions and approaches. This new approach builds on the results of a pilot undertaken last year with Fitzalan High School and its cluster of primary schools. This pilot allowed the school and its partners to identify and share priorities with the Council for collaborative working and use existing resources better. This led directly to the Schools and Lifelong Learning Service restructuring the way it works with schools through a neighbourhood approach.

64 The Council approach is to build a 'Team Around the School'. Seven school clusters based on community areas have been developed which integrate with the established six city area Neighbourhood Management teams. The Schools and Lifelong Learning Service see this approach as a fundamental change in the way that it provides its services and communicates with schools, designed to make better use of the resources it has available.

65 In measuring how successful this is, the Schools and Lifelong Learning Service is currently taking forward the approach that was first used for the Council's Flying Start programme. We will more fully report on the outcomes achieved next year.

## Is Cardiff Council helping to create a safe, prosperous and pleasant place to live?

66 When forming a picture of the prosperity of the area there is a mixed range of information. On the one hand Cardiff and its surrounding areas produce almost 20 per cent of the goods and services in Wales in a year, average weekly earnings are close to the highest in Wales and employment levels are around the Welsh average. On the other hand, unemployment amongst working age residents is above the Welsh average and Cardiff has proportionately more of its population living in the most deprived communities in Wales. The role of the city as the national capital and as a provider of local services for local people is reflected in the Corporate Plan and in the range of priorities being pursued by the Council.

67 The cleanliness of highways and relevant land is measured by the percentage that meets an acceptable standard when inspected. In Cardiff the percentage that meets the standard fell from 88 per cent in 2007-08 to 87 per cent in 2008-09. During 2009-10 the Council reviewed the organisation of delivery of street cleaning services and the cleanliness rate improved to 89 per cent although this is below the average of 95 per cent for Wales.

68 Cardiff has 86 kilometres of A roads. The 2009 annual population survey estimated that there were around 78,800 commuters travelling into Cardiff on a daily basis of which around 62,700 travelled by car. The Council's annual traffic flow survey estimated that in 2009 some 309,000 vehicles cross the county survey cordon each day. In 2008-09 4.8 per cent of A roads were judged to be in poor condition which was broadly similar to the proportion for Wales as a whole. In 2009-10, 5 per cent of A roads were considered to be in poor condition and the Council expects that condition to deteriorate further because it anticipates that it will not have the funding available to improve the

situation. In 2007 we found that although the Council had produced a Highways Asset Management Plan like many Councils in Wales it was faced with deteriorating highways and reduced resources for addressing problems. Although the highways asset management plan provided a strategic framework for dealing with highways the financial resources available were insufficient to stop deterioration of the highways structure. We will review arrangements during the coming year.

### Is the Council managing waste effectively?

69 The Council has been improving the way in which it is managing its waste. The Council has prepared a comprehensive long term draft Waste Strategy but this cannot be finalised until the Assembly Government completes its Municipal Waste Sector Plan. The Council provides waste collection services to around 124,500 households. The Assembly Government expects Councils to help citizens recycle waste and collects information about recycling rates as well as about the different types of service provided by different Councils. The Assembly Government has set targets for all Councils in Wales to improve the amount of waste recycled and reduce the amount that goes to landfill. A failure to meet targets is likely to result in financial penalties. The Assembly Government expected Councils to recycle or compost 40 per cent of waste collected by March 2010, the Council achieved 39 per cent but has shown a steady improvement since 2007.

70 Whilst councils can recycle or compost certain waste there is other waste, known as 'residual waste' which is currently not collected to be recycled or composted. Councils need a way of

dealing with this waste that reduces the amount that ends up in landfill sites. The Council is in a partnership (Prosiect Gwyrdd) with four other local authorities (Vale of Glamorgan, Newport, Monmouthshire, and Caerphilly) to procure a residual waste treatment facility. This facility will process the residual waste currently being sent to landfill. Materials that can be recycled will be removed, and the remaining waste treated in a process that reduces the volume and weight considerably. The remaining material is then sent to landfill.

- 71 By 2025 the Assembly Government expects the Council to recycle or compost 75 per cent of waste collected. The Council places a high priority on sustainability and waste management through increasing recycling/composting and reducing waste and is looking at the ways in which it can achieve this target by changing the ways in which it collects waste and the opportunities given to recycle materials. At the time of writing, decisions had not been made about extending collection of different types of waste or the frequency of collection. We will continue to monitor progress during the coming year.

### Is the Council helping to build a safer, stronger community?

- 72 The Council and its partners are working to reduce crime across the city. Cardiff has the highest recorded crime rate in Wales and this rate is nearly 50 per cent higher than the average for Wales. However, the crime rate has generally fallen over the past seven years and fell by 13 per cent in the previous year. The highest proportion of these crimes is criminal damage (22 per cent) and other theft offences (22 per cent).
- 73 The Crime and Disorder Act (1998) places a statutory obligation on local authorities and the Police to form multi-agency partnerships in order to reduce crime and disorder across the local authority area. The 'Safer Capital' partnership was formed in response to this obligation and brings together key partners to address community safety and crime and disorder issues. Safer Capital aims to work together to achieve lasting reductions in crime, fear of crime and anti social behaviour as well as providing practical crime prevention and community safety advice and reassurance. More information about the partnership and its work can be found on its website [www.safercapital.co.uk](http://www.safercapital.co.uk).
- 74 Part of this work involves the 'Transforming Neighbourhoods Programme'. The aim of the programme is 'to reduce the gap between neighbourhoods as measured by key economic, social and environmental indicators and the citizen experience'. Locally the programme has been seen to work, engaging the community and tackling local problems, which in turn have improved the environment and reduced crime locally by 10 per cent. Behind this approach is engaging partners to target improvements in specific areas with the most need. The Council sees this approach as the way forward and intends to use it as a way to deliver some of its 'fair, just and inclusive society' and 'people are safe and feel safe' objectives.
- 75 An important part of the neighbourhood management scheme is to use performance information and local intelligence to identify priorities and identify where improvements both in the short and long term can be delivered. The Council has supported this through the development of an integrated performance management framework aligned with the intended key outcomes in the Corporate Plan. However, the

integrated performance management framework supported by a data hub has not yet been fully delivered because of some technical and physical difficulties in sharing information.

76 The Council recognises that finding additional funding for the transforming neighbourhoods programme is not likely to be possible and aims to use existing resources differently by building teams within the Council and with partner organisations to address specific local issues.

77 We looked at one project in more detail, the ABC Park-Tarwick Drive project in the East Cardiff Area where localised crime was seen as costing the Council and its partners more than £200,000 in two years in repairs and call outs. The agencies agreed to work together and delivered some immediate improvements such as cleaning up graffiti, improving street lighting and establishing more police patrols. New ways of engaging and consulting with the community took place with over 350 local residents contributing ideas to the development plans for the ABC Park. Funding has now been obtained through the Neighbourhood Renewal Scheme to deliver these improvements and work is now being taken forward to develop and deliver a longer term housing regeneration scheme.

78 In September 2010 Her Majesty's Chief Inspector of Probation published a report about its inspection of the Youth Offending Service. Inspectors examined a representative sample of youth offending cases from the area, and judged how often the Public Protection and the Safeguarding aspects of the work were done to a sufficiently high level of quality. **Exhibit 3** shows the results of the inspection for each of these aspects of service.

79 Overall, this was considered to be a very encouraging set of findings and above the average percentages for Wales. The inspection found a team where there was commitment by staff to make a positive difference to the lives of the children and young people under their supervision. The work benefited from the positive contributions by a range of co-located partner agencies. The inspection found that more needed to be done to ensure that good quality risk and vulnerability management plans were produced and action taken in all relevant cases. Inspectors considered that under the leadership of the management team, the prospects were good that the Cardiff Youth Offending Team would respond to the recommendations in the report and further improve the services they offer.

### Exhibit 3: Youth Offending Service Inspection

Inspection findings showed above average performance

Aspect	Cardiff	Welsh average
<b>Safeguarding:</b> how often all reasonable action has been done well enough to keep to a minimum the risk of a child or young person coming to harm.	72% of the time	64%
<b>Public Protection:</b> how often work to keep to a minimum each individual's risk of harm to others was done well enough.	73% of the time	60%
<b>Public Protection:</b> how often work to make each individual less likely to reoffend was done well enough.	78% of the time	66%

Source: Core Case Inspection of youth offending work in Cardiff HM Inspectorate of Probation © Crown Copyright



# What should Cardiff Council do?

80 Given the wide range of services provided and the challenges facing the Council it would be unusual if we did not find things that can be improved. The Auditor General is able to:

- 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.

81 We made proposals for improvement in our corporate assessment report and we have not identified a need for any new proposals following this assessment – we therefore simply highlight the need for development of clearer outcome focused measures.

## Proposals we made in our earlier work

- set clear priorities for action in the context of reduced resource availability;
- set outcome measures that enable the Council to identify the impact of its activity for the community and service users;
- establish corporate arrangements for the funding, refreshment and development of all ICT; and
- ensure service business plans incorporate realistic estimates of financial, staff and other resources required to deliver proposed actions.

# 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

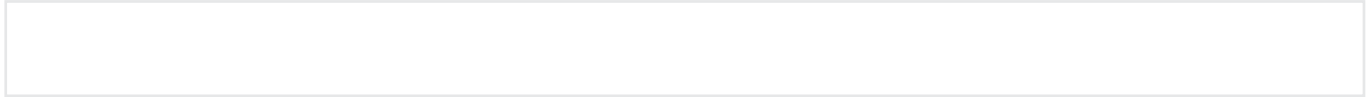
The Local Government Measure (Wales) Measure 2009 (the Measure) introduced new responsibilities for the Auditor General, including a responsibility to publish his assessment of each council/authority's arrangements to secure continuous improvement.

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.<sup>1</sup>

<sup>1</sup> 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 Cardiff and Cardiff Council

There are 74 Councillors for Cardiff 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:

- 34 Liberal Democrats
- 17 Conservatives
- 12 Labour
- 7 Plaid Cymru
- 3 Independents
- 1 Heath Independent

The Council has an Executive of nine councillors who make decisions on strategic and operational issues.

### Cabinet

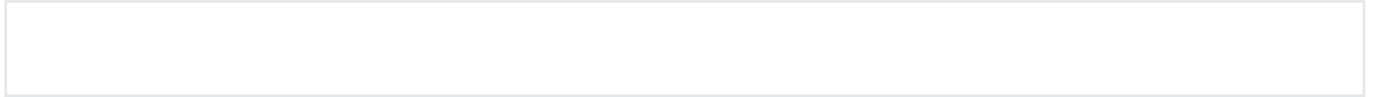
- |                        |   |
|------------------------|---|
| • Cllr. Rodney Berman  | Corporate                               |
| • Cllr. Judith Woodman | Communities, Housing and Social Justice |
| • Cllr. Neil McEvoy    | Economic Development                    |
| • Cllr. Freda Salway   | Education and Lifelong Learning         |
| • Cllr. Margaret Jones | Environment                             |
| • Cllr. Mark Stephens  | Finance and Service Delivery            |
| • Cllr. John Dixon     | Health, Social Care and Wellbeing       |
| • Cllr. Nigel Howells  | Sport, Leisure and Culture              |
| • Cllr. Delme Bowen    | Traffic and Transportation              |

### Corporate Management Team

- |  |                  |
|--|------------------|
| • Chief Executive                        | Jon House        |
| • Corporate Director – Social            | Neelam Bhardwaja |
| • Corporate Director – Built Environment | Paul Orders      |
| • City and County Treasurer              | Christine Salter |
| • City and County Solicitor              | Kate Berry       |

### National Assembly Members

- |                             |                  |
|-----------------------------|------------------|
| • Cardiff Central           | Jenny Randeson   |
| • Cardiff North             | Jonathan Morgan  |
| • Cardiff West              | Rhodri Morgan    |
| • Cardiff South and Penarth | Lorraine Barrett |



### **Members of Parliament**

- |                             |                     |
|-----------------------------|---------------------|
| • Cardiff Central           | Jenny Willott       |
| • Cardiff North             | Jonathan Evans      |
| • Cardiff West              | Kevin Brennan       |
| • Cardiff South and Penarth | Rt Hon Alun Michael |

For more information see the Council's own website at [www.cardiff.gov.uk](http://www.cardiff.gov.uk) or contact the Council at 029 2087 2000 or email to: [c2c@cardiff.gov.uk](mailto:c2c@cardiff.gov.uk).

# 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 August 2010 are set out below:

**The Council is continuing with a fundamental transformation programme, and while it is re-evaluating a key element of that programme, its overall approach shows potential to deliver improvement.**

### How the Council has approached improvement over time

The Council established a sound understanding of its operations and options for change by means of a fundamental operational review in 2007.

The Council has reliable arrangements for managing a complex programme of change which have identified key risks and enabled it to reconsider options.

With careful management of keys risks and improvement of its ability to demonstrate outcomes, the Council's approach shows potential to deliver improvement.

### Analysis of the Council's arrangements to help it improve

The Council's arrangements are positively supporting improvement in most ways, but it does not always use ICT and other assets well, and its performance reporting is not yet sufficiently focused on outcomes.

Clear and firm leadership and sound governance, supported by effective financial management is underpinning delivery of the Council's strategic intentions.

The Council's approach to risk management, performance and its people are positively supporting improvement in most ways but the sustainability of the approach to ICT is unclear and there is insufficient focus on outcomes.

The Council recognises that its approach to buildings asset management is weak.

For the full report see our website at [www.wao.gov.uk](http://www.wao.gov.uk) or contact us at the address on the inside cover of this report.



# Appendix 4

## Appointed Auditor's Annual Letter

### Annual Audit Letter to the Members of Cardiff Council

The Local Government Measure 2009 has provided the Wales Audit Office with an opportunity to re think how to report the findings from both the financial audit and the performance audit work to local government bodies. As you will be aware the Auditor General for Wales will be issuing an Annual Improvement Report (AIR) to each local authority over the next few months and many of the issues that were traditionally reported in the Appointed Auditor's Annual Audit Letter will be included in that report. Therefore I have taken the opportunity to summarise the key messages arising from the Appointed Auditor's statutory responsibilities (the accounts, the value for money conclusion and the audit of the improvement plan) into this short letter which forms the Annual Audit Letter.

The letter is designed to be a stand-alone document, but will be presented to the Council and the public as part of the Annual Improvement Report and therefore discharges my reporting responsibilities under the Code of Audit Practice.

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.

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 statement of accounts.

On 29 September 2010, I issued an unqualified audit opinion on the statement of accounts, confirming that they present a true and fair view of the Council's and the Pension Fund's financial transactions.



My key findings, which are set out in detail within my Financial Statements Memorandum and my Assessment of Internal Audit Report, were:

- I did not have significant concerns about the qualitative aspects of your accounting practices and financial reporting;
- the Council had effective high level financial controls which reduce the risk of material misstatement to the statement of accounts though there is scope to strengthen these arrangements;
- my testing did not identify any material weaknesses in respect of the Council's internal financial control procedures though there is scope to further improve aspects of their operation; and
- the Council's Internal Audit service is well-established although improvements are required in some key areas to allow it to achieve full compliance against the CIPFA Internal Audit Standards.

In July 2010, I reported to officers the results of my interim audit testing and how the findings impacted upon my planned approach to the audit of the statement of accounts. I then reported the key matters arising from my audit of the statement of accounts to the Audit Panel on 15 September 2010 and to Council on 23 September 2010.

My report on my assessment of internal audit against the CIPFA Standards for Internal Audit was reported to the Audit Panel on 15 September 2010.

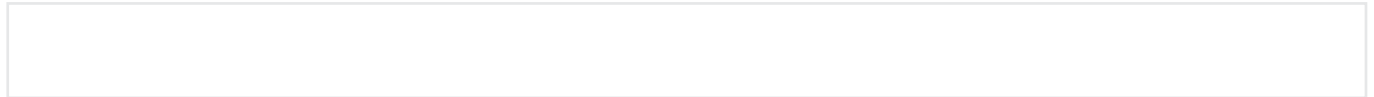
The results of my audit of the Cardiff and Vale of Glamorgan Pension Fund were reported to the Investment Advisory Panel on 2 September 2010.

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 LG Measure. The main findings from this latter work will be set out in the Annual Improvement Report.

In our interim reviews, we note that the Council's arrangements are positively supporting improvement in most ways, but it does not always use ICT and other assets well, and its performance reporting is not yet sufficiently focussed on outcomes.

We conclude that the Council's Improvement Plan 2010-2011 meets statutory requirements and provides a balanced view of its performance in 2009-10.

I carried out the audit of the statement of accounts of the Council in accordance with the requirements of the Public Audit (Wales) Act 2004 and the Code of Audit Practice issued by the Auditor General for Wales. However, I cannot formally conclude the audit and issue the certificate until I have considered a matter which has been brought to my attention under the Public Interest Disclosure Act.



The financial audit fee for 2009 2010 is currently expected to be in line with that set out in the Financial Audit Strategy however, the fee may be higher as a result of any work required to deal with the matter referred to us under the Public Interest Disclosure Act. This will be reported separately to the Council.

Local electors have a right to look at the Council's accounts. When the Council has finalised its accounts for the previous financial year, usually around June or July, it must advertise that they are available for people to look at. You can get copies of the accounts from the Council; you can also inspect all books, deeds, contracts, bills, vouchers and receipts relating to them. You then have 20 working days to look through the accounts and supporting documents. You can ask the auditor questions about the accounts for the year that they are auditing. For example, you can simply tell the auditor if you think that something is wrong with the accounts or about waste and inefficiency in the way the Council runs its services. For more information see the Wales Audit Office leaflet, Council accounts: your rights on our website at [www.wao.gov.uk](http://www.wao.gov.uk).

# Appendix 5

## Cardiff Council's improvement objectives

The Council published its improvement objectives in its Corporate Plan which can be found on the Council website at [www.cardiff.gov.uk](http://www.cardiff.gov.uk). Eight key outcomes are identified that the Council and partners will be working towards between 2010 and 2013. The following exhibit shows the outcomes and the associated key priorities. The Corporate Plan includes specific action proposed and the measures the Council intends to use to help it know if it is making a difference:

### **People in Cardiff are safe and feel safe**

- Safeguard vulnerable citizens.
- Reducing crime, fear of crime and anti social behaviour.

### **Cardiff has a thriving and prosperous economy**

- Strengthen public-private sector networks to develop and support successful local businesses.
- Becoming a world-class business and visitor destination.

### **People in Cardiff achieve their full potential**

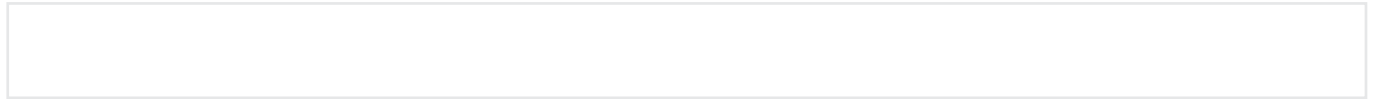
- Improving the quality of planning and partnership working at both strategic and operational levels to improve learner outcomes and promote social inclusion.

### **Cardiff is a great place to live, work and play**

- Delivering sustainable travel choices.
- Developing Cardiff as an international centre for arts, culture, entertainment, heritage, sport, leisure and events.

### **People in Cardiff have a clean, attractive and sustainable environment**

- Delivering effective and efficient waste management measures.
- Creating a cleaner city.
- Creating a more sustainable and greener city.
- Regenerating Local Neighbourhoods.



### **People in Cardiff are healthy**

- Promoting and supporting Healthy and Active Lifestyles.
- Ensuring High Environmental Standards.
- Ensuring that vulnerable people have access to services to reduce health inequality.

### **Cardiff is a fair, just and inclusive society**

- Establishing the Cardiff Neighbourhood Management Model.
- Effectively respond to the way citizens want to access services.
- Promoting equality of opportunity and participation in decision making.

### **The Council delivers improved outcomes for the city and its citizens through strong partnerships**

- Implementing the Strategic Transformational Change approach to achieve innovation and efficiency in the delivery of public services.
- Progressing seamless public services for citizens and communities within the context of strong democratic accountability.

# 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