



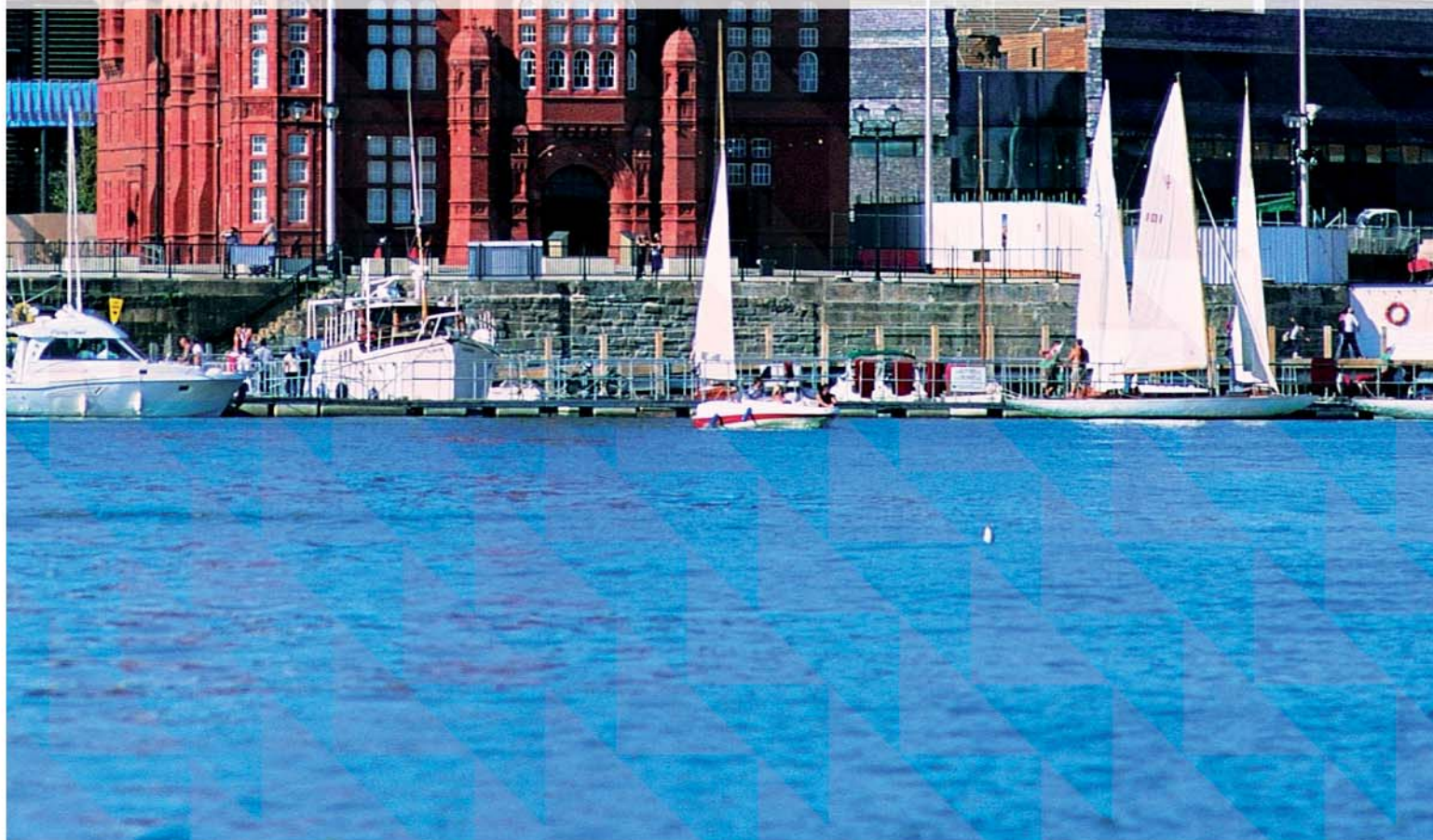
WALES **AUDIT** OFFICE
SWYDDFA **ARCHWILIO** CYMRU

Annual Improvement Report

Cardiff Council

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Huw Vaughan Thomas, Auditor General for Wales, was supported by Steve Barry, Janet Villars and colleagues under the direction of Jane Holownia in conducting the Improvement Assessment and producing this report.

Contents

Summary and proposals for improvement	4
Detailed report	
Introduction	7
The Council’s political and streamlined officer leadership is driving efficiencies through strong financial leadership, improved management of people and assets and through the good use of technology	9
Improvements are emerging in waste, highways, and neighbourhood management, the Council is on track to meet the Welsh Housing Quality Standard but weaknesses in some aspects of social services and education are delaying the achievement of Council aims	13
Weaknesses in some aspects of social services mean that the Council is not fully meeting its aim for people in Cardiff to be safe and feel safe	13
Weaknesses in some aspects of education mean that the Council is not fully meeting its aim for people in Cardiff to achieve their full potential	15
The Council is helping to provide a clean, attractive and sustainable environment by delivering the Welsh Housing Quality Standard, beginning the improvement of highways maintenance and through improvements in waste management	17
Significant progress has been made in establishing strong partnerships to support improvement of service delivery to neighbourhoods	19
The Council has good arrangements for monitoring performance and is making progress in developing the ways it evaluates the impact of what it is doing	22
Appendices	
Appendix 1	
Status of this report	23
Appendix 2	
Useful information about Cardiff and Cardiff Council	24
Appendix 3	
Cardiff Council’s accounts and use of resources	26
Appendix 4	
Cardiff Council’s improvement objectives and self-assessment	29

Summary report

- 1 Each year, the Auditor General must report on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement and delivering their services. Drawing on the work of the relevant Welsh inspectorates, and the audit work of the Wales Audit Office and the Appointed Auditor, this report presents a picture of improvement over the last year. The report is in three main sections which cover the planning, delivery and evaluation of improvement by Cardiff Council (the Council).
- 2 We found that the Council's streamlined officer leadership is driving efficiencies through strong financial leadership, improved management of people and assets and through the good use of technology.
- 3 Improvements are emerging in waste, highways, and neighbourhood management. The Council is on track to meet the Welsh Housing Quality Standard but weaknesses in some aspects of social services and education are delaying the achievement of Council aims. We based this conclusion on the following:
 - Weaknesses in some aspects of social services mean that the Council is not fully meeting its aim for people in Cardiff to be safe and feel safe. The evaluation of the Care and Social Services Inspectorate Wales (CSSIW) considered that the Council had made limited progress in tackling issues it had identified last year and some aspects of service had deteriorated.
 - Weaknesses in some aspects of education mean that the Council is not fully meeting its aim for people in Cardiff to achieve their full potential, although an inspection by Estyn in January 2011 judged the education service to be 'adequate'. Schools performance is average and the rate of fixed-term exclusions is among the worst in Wales.
 - The Council is helping to provide a clean, attractive and sustainable environment by delivering the Welsh Housing Quality Standard, beginning the improvement of highways maintenance and through improvements in waste management. The Council is one of a small number of councils likely to meet the target of improving its homes to the Welsh Housing Quality Standard by 2012. Waste management performance has improved significantly in recent years helped by the introduction of new collection methods.
 - Significant progress has been made in establishing strong partnerships to support the improvement of service delivery to neighbourhoods.
- 4 Finally, the report sets out our views on the Council's own assessment of its performance and arrangements. We concluded that the Council has good arrangements in place for monitoring performance and, with its key partners, is making progress in developing the ways in which it evaluates the impact of what it is doing.

Proposals for improvement

Proposals for improvement	
Drive service improvement by:	
P1 For social services	<ul style="list-style-type: none">• Addressing the issues in social services identified by the CSSIW.
P2 For education	<ul style="list-style-type: none">• Implementing the Estyn recommendations arising from the inspection of the education service.
P3 For the highways service	<ul style="list-style-type: none">• Ensure member endorsement of highway standards and implement work to develop and achieve those standards.• Identify responsibility for the management, operation and improvement of the highways asset (an 'asset owner') at senior management level and introduce consideration of consistent standards and future maintenance costs into decision making.
P4 For the waste management service	<ul style="list-style-type: none">• Develop waste prevention initiatives and actions to support the Council's waste strategy.• Work in partnership with communities to support delivery of the waste strategy.• Establish a clear understanding with the Welsh Government about the main components of a longer-term waste strategy for Cardiff for the next 10 years.

Proposals for improvement (continued)

P5 For neighbourhood management

- Further develop the arrangements for performance monitoring and reporting for neighbourhoods to ensure that the Integrated Partnership Board and the Programme Board have the evidence to both monitor delivery of actions but also assess if improved outcomes for citizens/the public have been delivered:
 - complete and implement the 2011-12 Annual Action Plans;
 - ensure that Annual Action Plans for 2012-13 are produced and ready for the start of the financial year; and
 - complete Annual Reports for 2011-12 for each neighbourhood.
- Ensure that Service Redesign projects across the Council consider the resource requirements and implications of working with the Neighbourhood Management Delivery Model adopted by the Council and Partners.
- Ensure managers responsible for service delivery understand the concept of neighbourhood management, collaborative working and how their service can respond to the agenda.
- Ensure that staff within the Council know about the Neighbourhood Management Delivery Model adopted by the Council and Partners and that they understand the role they play in its implementation.

Detailed report

Introduction

- 5 This report was prepared by the Wales Audit Office on behalf of the Auditor General. On [page 2](#) you can find a brief explanation of what the Auditor General does.
- 6 Under the Local Government (Wales) Measure 2009 (the Measure), the Auditor General must report each year on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement and delivering their services. [Appendix 1](#) provides more information about the Auditor General's powers and duties under the Measure. With help from Welsh inspectorates, Estyn (for education), CSSIW, and the Welsh Language Board we have brought together a picture of what each council or authority in Wales is trying to achieve and how it is going about it. This report also sets out the progress the Council has made since the Auditor General published his last Annual Improvement Report, drawing on the Council's own self-assessment.
- 7 Throughout the report, we set out what the Council needs to do to improve its services. 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 Welsh 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 it to do something about them and we will follow up what happens.
- 8 We want to find out if this report gives you the information you need and whether it is easy to understand. You can let us know your views by e-mailing us at info@wao.gov.uk or writing to us at 24 Cathedral Road, Cardiff, CF11 9LJ.
- 9 The Council has undertaken a wide range of activity in respect of the eight main outcomes set out in its Corporate Plan (which are set out in [Appendix 4](#)). We do not undertake a comprehensive annual review of all Council arrangements or services. The conclusions in this report are based on our cumulative and shared knowledge and the findings of the prioritised work undertaken this year.
- 10 In this report we provide a view of the effectiveness of management arrangements and activity in relation to four of the eight intended outcomes by looking at how well the Council was:
 - managing its corporate resources by assessing: financial management; the Council's use of information and communications technology; human resource management; and land and property management;
 - meeting its aim for people in Cardiff to be safe and feel safe by having regard to the assessment by colleagues from CSSIW;
 - meeting its aims for people in Cardiff to achieve their full potential by having regard to the January 2011 inspection of education services for children and young people by Estyn (Her Majesty's Inspectorate for Education and Training in Wales);

- meeting its aims for people in Cardiff to have a clean, attractive and sustainable environment by reviewing the highways management service and waste management services;
- delivering positive outcomes for citizens through strong partnerships and its aims for a fair, just and inclusive society by beginning a review of neighbourhood management; and
- assessing and reporting on its performance against its objectives for 2010-11.

The Council's political and streamlined officer leadership is driving efficiencies through strong financial leadership, improved management of people and assets and through the good use of technology

The Executive has sustained its focus on driving change, the senior management structure has been streamlined, and governance of the transformation programme strengthened, securing financial savings and improving clarity of responsibility and accountability

- 11 The Executive has sustained its focus on transformation, providing strategic leadership, with the Leader and portfolio holders playing key roles in specific programme streams and the Chief Executive supervising its overall delivery.
- 12 In December 2010 the Council began fundamental changes to its senior management structure making rapid progress to implement change during the first four months of 2011. The changes reduced the number of senior managers by three, achieving estimated financial savings of £330,000. The departure of a Corporate Director during the summer of 2011 provided a further opportunity to review arrangements at the most senior level in the Council and led to a decision not to replace the post, thereby securing further financial savings and contributing to the Council's budget strategy for 2012-13.
- 13 Roles, responsibilities and the accountability of individual managers within the structure have been more clearly aligned to provide a focus on achieving the necessary efficiencies together with transformation of services and delivery. The re-structure also improved co-ordination of related activities by bringing together teams engaged in the delivery of

particular services, such as waste management, street cleansing and highways operations that had previously been deployed in different directorates. Whilst we make a number of proposals for improvement in this report, it was clear that senior managers recognised issues and were putting reliable plans in place to address them.

- 14 During 2011 further steps have been taken that strengthen the management and implementation of the transformation portfolio. Given the complexity of change it was essential for the Council to have in place an arrangement that ensured energies were focussed on the matters most relevant to delivering transformation. Seven programmes are in place within which priority is given to projects that forecast to deliver efficiencies and savings and aim to maintain or improve services. Executive, scrutiny and officer responsibilities are clear with senior responsible officers designated to manage individual programmes and report on a fortnightly basis. Reporting arrangements enable both assessment of progress in individual programmes and management of the inter-relationships between programmes.

The Council manages its finances well and demonstrates strong and accountable financial leadership

- 15 The Council understands the financial challenges that it faces and has a clear strategy for addressing them, through achieving efficiencies by implementing changes in the way it works (its transformation programme) and generating savings within specific service areas.

The Chief Executive is held to account by means of specific personal objectives for delivery of transformation efficiencies and addressing medium-term financial pressures via the budget setting process. These, and his other personal objectives, are stated on the Council's website.

- 16 The Council achieved its financial savings and efficiencies targets for 2010-11 and is in the process of preparing its budget for 2012-13 having identified a need to address an estimated shortfall in funding of £19.4 million by planning for service savings of £18 million and efficiency savings of £6.3 million.
- 17 The Council has a medium-term financial plan and can demonstrate strong and accountable financial leadership. Roles and responsibilities are clear at member and senior officer level. Budget and service planning processes enable the Council to specify priorities and make choices within its means. The development of performance measurement arrangements currently underway should enable the decision-making process to be strengthened as outcomes of action become clearer.
- 18 The Appointed Auditor recently gave an unqualified opinion on the Council's Statement of Accounts for 2010-11. **Appendix 3** gives more detail.

The Council has strengthened its people management arrangements to support delivery of its efficiency agenda

- 19 The Council expects managers to undertake an annual appraisal of all its staff. The aim is to ensure staff have the skills they need to do their job and that their actual performance is reviewed against what is expected to be delivered. In the past it has been time consuming for the senior managers of the Council to ensure that all appraisals are done on time and appropriate action is taken. During 2011 the Human Resource service supported implementation of a new framework to manage individual performance using a computer based system which will enable the Council to monitor progress on compliance with the procedures more easily than it has been able to in the past.
- 20 Workforce planning is important because it is about making sure the Council uses its people effectively and is able to anticipate the skills and numbers of people it is going to need in the future. At a time when responding to financial pressure often means reductions in the numbers of staff, workforce planning plays a key part in decision making about the skills that the Council needs to retain rather than lose. Some workforce planning and redesign of staffing structures are undertaken at service level and a corporate approach to workforce planning is being developed. Other workforce planning activities are being implemented as part of the decision making process to support the savings agenda.

Exhibit One: Cardiff Council Academy: Equipping people for change and to deliver improvement

The Council has recognised the need to ensure its staff both understand the rationale and approach to change and are provided with the skills and knowledge to deliver change and improvements. The 'Cardiff Council Academy' developed via the People and Leadership Transformation Programme is the means by which the Council is meeting that need.

The approach ensures effective strategic planning as well as the delivery of learning and development in the context of transformation, service improvement and making the best use of resources available.

The Academy has a number of streams of activity, some leading to nationally recognised qualifications, others designed to meet the needs of both the Council and individuals as transformation progresses.

Key strengths of the approach include:

- 'First Steps' – a course aimed at all staff and developed in partnership with trade unions that covers topics such as managing change, planning ahead, learning opportunities and essential skills.
- Service Improvement – providing practitioner skills via the Cardiff Business School Lean Enterprise Research Centre (10 staff became accredited practitioners in 2011 and a further 10 staff will become accredited in 2012). Foundation level sessions provide participants with an understanding of continuous improvement and the use of 'lean' tools. Over 190 staff attended foundation level sessions with 130 achieving the qualification in 2011.
- The Cardiff Leadership Programme – for staff responsible for achieving Council and Service aims, which leads to the Chartered Management Institute Level 5 qualification. The aim is to develop self awareness and encourage managers to examine the effectiveness of their contribution to service and organisation objectives.
- 'Essential skills for life' – designed to help managers recognise signs in their own staff to help them understand how to identify needs for literacy, numeracy and language support and where to access the support available.
- Project Management – to ensure all staff understand the principles of the transformation programme and to increase the capability of staff in managing projects within the programme at foundation and practitioner levels.
- Other streams under development include, for example, Customer Services.

The comprehensive approach delivered via the Academy addresses the complexity of meeting the learning and development needs facing the Council at a time of significant change, it gives visibility to learning and development activity aligned with the Transformation Programme and provides a clear progression route for all staff.

- 21 Over the past four years the member leadership and senior officers have been working closely with trade unions to establish proposals for implementation of fair pay arrangements (generally known as 'single status'). The joint approach has proved successful, the Council has secured a 'yes' vote from staff to proposals and is now proceeding with implementation.

The Council is implementing new arrangements with the aim of making better use of technology to support improvement

- 22 The Council's arrangements for developing, using and supporting technology are likely to support continuous improvement. A new Head of Service has developed the Council's ICT Strategy 2012-14 to support the delivery of the transformation agenda. New technology management and delivery arrangements, linked to professional standards and good practice, are being implemented and security arrangements are being enhanced.
- 23 The Council is changing its approach to funding technology for the financial year 2012-13. Our proposal to include plans to refresh and renew the ICT infrastructure into its medium-term financial plans has been adopted and an additional £500,000 of funding has been allocated to address immediate areas of risk within the ICT infrastructure during 2012-13. From April 2012 desk top technology will be treated as a corporate commodity with costs centralised instead of devolved to service areas, moving to a more cost effective and efficient model of funding.

The Council has made good progress in strengthening asset management

- 24 We first evaluated the Council's arrangements for managing its land and property assets in 2009 when we found that the Council had much to do before it would be able to make effective use of these resources.
- 25 We have been tracking developments over the past two years and it is clear that significant progress has been made in establishing strong foundations for effective asset management. The Council's 'Our Space' project, for example, sets the clear objective of making more efficient use of office accommodation and buildings, and its implementation is supported by improved arrangements for assessing the property requirements of services.

Improvements are emerging in waste, highways, and neighbourhood management, the Council is on track to meet the Welsh Housing Quality Standard but weaknesses in some aspects of social services and education are delaying the achievement of Council aims

Weaknesses in some aspects of social services mean that the Council is not fully meeting its aim for people in Cardiff to be safe and feel safe

The Council has made limited progress in improving social services and there has been a deterioration in some areas of service provision

- 26 The role of the CSSIW is to make professional assessments and judgments about social care, early years and social services and so encourage improvement by the service providers. The CSSIW's *Annual Review and Evaluation of Performance for 2010-2011* for social services in Cardiff was issued in October 2011 and paid particular attention to the areas for development identified in last year's equivalent report¹. Overall the report concluded that there had been limited progress in many of these areas whilst performance had deteriorated in some other areas. The Council acted quickly to strengthen the management arrangements required to ensure issues identified in the October report were addressed, introducing interim management support and its proven programme management arrangements to drive progress.
- 27 The CSSIW reported that social services have a good overall profile within the authority. Senior managers have effective links with corporate functions and members, and the Council has appointed members as portfolio leads for children and adult service users.

28 The key messages we have identified regarding adult services are summarised below:

- The number of people who experience a delayed discharge from hospital because of social reasons remains high and has marginally increased in recent years, although there have been improvements since 2007. The Council continues to work in partnership with the Local Health Board to seek improvement.
- In most areas of adult services there is improved access to services for carers.
- The speed of assessment for people with sensory impairment has improved.
- Provision of nursing placements for people with dementia continues to remain challenging and the Council needs to improve access to services for older people with dementia. The Council has recently secured additional bed spaces and forecasts further spaces becoming available over the next 14 months.
- The Council reported progress in reaching people from black and minority ethnic (BME) communities including the provision of outreach surgeries, a communication pack to assist communities to communicate with the Council and standard scripts for staff to ensure effective and consistent communications, but still needs to improve access to services.
- Intermediate and telecare services are providing positive outcomes for people, the Council's service user satisfaction

¹ CSSIW reports can be found at www.wales.gov.uk/cssiwsbsite.

surveys indicate the majority of people are satisfied with the services received but some users of domiciliary care described feeling institutionalised within their own homes.

- Protection of vulnerable adult services appear to respond well to vulnerable people but there are too many inappropriate referrals.

29 Recognising the need to improve the assessment and care management process and establishing a focus on outcomes, the Council has established a project to drive this forward.

30 The report concluded that performance in many aspects of children's services was mixed and some parts of the service were poor. The key messages we have identified regarding children's services are summarised below:

- As is the case in most councils, service planning is not sufficiently outcome-focused and there is a need to further develop the way that planning involves engagement and participation from users. The Council is developing a commissioning strategy focused on outcomes.
- Performance in many aspects is mixed and poor, for example, while decision making on increased levels of referrals remains prompt, action is needed to address and understand the levels of referrals that do not proceed or are re-referrals.

- Once a child or young person is receiving services the level of performance has generally been maintained although the Council will want to see continuing improvement and should consider whether the pace and nature of improvement are satisfactory.
- Frontline children's services continue to experience problems in recruiting and retaining social workers and managers so the Council has provided additional funding for eight social worker posts and has recruited a new manager.
- The impact of the continuing increase in referrals to Children's Services in Cardiff (19 per cent in 2010-11) is recognised, which is increasing workloads across the service area.

Commissioning arrangements are under-developed in social services

31 Between April and June 2011 CSSIW carried out a review of the commissioning of social services in Cardiff. The CSSIW concluded that commissioning and modernisation within Cardiff need to develop further and identified a range of issues that are summarised below:

- There are no clear, agreed strategies or plans for commissioning. Initiatives taken are shaped significantly by external factors. Some partner agencies are unsure about the direction or pace of future commissioning, and representative groups of people using services have little recent experience of positive commissioner-led service development.
- Work to understand the nature and size of local needs is still developing. Partner agencies contribute to population needs

analysis but there remain gaps in local social care information and significant reliance on national data. Information from people using services is used, but there is limited evidence of systematic collection of this in most areas.

- Social services strive to maintain people within their own homes. However, there is some evidence that services can be inflexible with little choice.
- A mix of Framework Agreements and spot contracts is in place for significant providers. However, there are weaknesses in monitoring the outcomes from commissioning practices.

Weaknesses in some aspects of education mean that the Council is not fully meeting its aim for people in Cardiff to achieve their full potential

Schools performance is average and the rate of fixed-term exclusions is among the worst in Wales

32 When a range of contextual information is taken into account, the performance of pupils in Cardiff schools in 2011 was generally average in key stages 1, 2 and 3. At key stage 4 performance was slightly below average. Not enough schools are in the top 25 per cent on most of the measures and too many schools are below average. Performance in key stages 3 and 4, based on entitlement to free school meals, has met or exceeded all of the Welsh Government's benchmarks in the four years up to 2010. Benchmark information for 2011 data is not yet available.

33 Attendance in secondary schools is below average when a range of contextual factors is taken into account and too many schools are in the bottom two quarters, when compared to similar schools. Overall, attendance in primary schools was average in 2010. The number of permanent exclusions from schools improved in 2010. However, the rate of fixed-term exclusions is among the worst in Wales and the number of days pupils lose from school because of exclusions has increased.

Inspection in January 2011 judged education services to be adequate and indicated key areas for improvement which the Council is addressing

34 In January 2011, Estyn published a report on the quality of local authority education services for children and young people in Cardiff. The full report can be found on the Estyn website (www.estyn.gov.uk). Inspectors judged that the Council's education services for children and young people were adequate because the Council:

- had met or exceeded all of the Welsh Government benchmark expectations for the last four years;
- had effective arrangements to support and challenge schools; and
- had made good progress in developing and rationalising provision of school places.

35 However, progress was too slow in areas such as attendance, exclusion, key stage 4 outcomes, and for those not in education, employment or training (NEETs), and the strategic leadership of joint working between

the Council and the Children and Young People's Partnership was not effective enough.

36 Estyn also concluded that prospects for improvement were 'adequate' because:

- elected members had shown strong leadership and consistent support for education services;
- the chief education officer and heads of service provided good leadership to the schools' service, and strategic plans reflected both national and local priorities well; and
- there were clear links between most plans across the Council.

37 However, self-evaluation and improvement were not consistent, rigorous or robust enough and self-evaluation processes did not evidence how the work of the Children and Young Persons Partnership contributed to improving outcomes for all learners.

38 The Estyn inspection report included specific recommendations for the improvement of the service. Following receipt of the Estyn report the Council set up an Implementation Board chaired by the Chief Executive that meets monthly to monitor progress against the action plan that addresses Estyn recommendations. The Board includes representatives from the Welsh Government and Welsh Local Government Association. The most recent meeting of the Board noted the majority of planned actions had been delivered or were on target. Estyn will continue to monitor progress.

Estyn inspection recommendations

- Improve the strategic leadership of joint working between the Council and the Children's and Young People's Partnership.
- Improve the effectiveness of partnership planning for outcomes in priority areas; improve the scrutiny of partnership working.
- Continue to raise standards at key stage 4, improve attendance, reduce exclusions and reduce the number of young people not in education, employment or training.
- Improve performance management processes to ensure a consistent approach in delivering objectives.
- Improve the information, advice and support for all parents of learners requiring the statutory assessment of pupils' special educational needs.

Source: *A report on the quality of local authority education services for children and young people in Cardiff Council*. Estyn January 2011. © Crown Copyright 2011.

The Council is helping to provide a clean, attractive and sustainable environment by delivering the Welsh Housing Quality Standard, beginning the improvement of highways maintenance and through improvements in waste management

The Council is amongst the few that anticipate achieving the Welsh Housing Quality Standard in its homes during 2012

- 39 In July 2001, the National Assembly endorsed the first national housing strategy for Wales – *Better Homes for People in Wales*. The strategy set out the Welsh Government's vision that all people in Wales should be able to live in good quality homes. To help deliver this vision, the Welsh Government introduced the Welsh Housing Quality Standard in 2002. The standard set out the expectations for the condition of the structure, provision of modern bathrooms and kitchens in energy efficient homes, together with expectations about the environment around those homes. All landlords of social housing in Wales were expected to meet the standard by 2012.
- 40 At an early stage the Council established a programme designed to deliver the Welsh Housing Quality Standard wherever practicable by 2012 to its 13,688 homes. During the early years of the programme we reviewed arrangements and considered them to be reliable. Executive members, scrutiny members and the Audit Panel have played an active role in monitoring progress over the years and senior officers have been instrumental in managing financial requirements and the delivery of improvements. In January 2012 the Auditor

General published *Progress in Delivering the Welsh Housing Quality Standard* identifying that of the 11 councils that still had housing stock, Cardiff was one of only three that anticipated meeting the target by 2012.

The development of highways maintenance has been slow but the Council is beginning to improve the service

- 41 We first reported on highways maintenance in March 2008. We found that the Highway Asset Management Plan had created an impetus for considering highways maintenance in a more strategic way, but a range of obstacles needed to be tackled before the service was likely to improve. Among these was a need for more effective management of the service, which had arisen as a result of a lack of managerial stability and changes in responsibilities over time.
- 42 Progress in addressing the issues we identified in 2008 has been slow partly because the officer responsible for developing the Asset Management Plan was seconded to a corporate project for two years, and was not replaced during this time, thereby limiting the development and implementation of the Plan and the policies essential to support it.
- 43 Restructuring and changes in senior management occurred during 2011 and the new Chief Officer has begun to address key issues. There has been a revision of the Asset Management Plan to include projections of future deterioration based on a number of different funding scenarios. This will assist in demonstrating to members and others the implications of reductions in funding and act as a framework from which to make decisions about the future maintenance

of highways. Councillors have not formally adopted standards expected for the condition of highways. A draft maintenance manual containing standards and other policy information has been updated in readiness for member endorsement.

- 44 We will maintain a focus on the development of this service area and report on the outcomes achieved in our next annual report.

Key proposals for improvement – Highways Maintenance

- Ensure member endorsement of highway standards and implement work to develop and achieve those standards.
- Identify responsibility for the management, operation and improvement of the highway asset (an 'asset owner') at senior management level and introduce consideration of consistent standards and future maintenance costs into decision making.

The organisation of the waste service, as well as recycling and composting performance, has improved but waste prevention arrangements are less well developed

- 45 The waste service was restructured in 2011 and a new Chief Officer has begun to improve service delivery. A more efficient approach to service delivery is evident, for example, from the changes to the way the service is organised, the introduction of more efficient shift patterns and an increase in trade service income.

- 46 Cardiff has one of the fastest growing economies in Europe, which presents significant sustainability challenges. Cardiff's waste is significant for Wales; forming about 25 per cent of nationally collected municipal waste. If Cardiff fails to meet targets then it is likely that Wales will also fail. Waste management is a major corporate risk for the Council and delivering sustainable waste management is a key action contributing to the delivery of the Council's priority outcome that 'people in Cardiff have a clean, attractive and sustainable environment'.

- 47 In January 2011, the Executive approved a waste management strategy for the period 2011 to 2016 that contains actions to secure long-term solutions for the city's municipal waste. The Council's new waste management strategy is thorough and integrates waste management with other services. Waste services are now more effectively organised, current performance is getting better but with mid ranking performance, there is scope for more improvement. The increase in the annual re-use/recycling/composting rate from 26.8 per cent in 2007-08 to 42 per cent in 2010-11 illustrates the improvement achieved as a direct result of the introduction of new waste collection arrangements, including fortnightly collection of general waste and garden waste and weekly collection of food waste.

- 48 The Council is making sufficient progress to meet current and future waste targets and create a cleaner city. Performance is improving with the introduction of better systems but the strategy does not go far enough to promote waste prevention and may

not align with the national strategy, because of the co-mingled method chosen for the kerbside collection of recyclable wastes which are sorted mechanically at the Council's materials recovery facility.

- 49 The Council has a reasonable understanding of the longer-term intended outcomes of its waste strategy but the current focus for reviewing performance is led by targets for recycling and composting. The strategy begins the transition to increase waste prevention activities, but is short on deliverable actions for this aim. The Council has also not fully realised the potential benefits of delivering its waste strategy in partnership.
- 50 Procurement of a residual waste treatment capacity through Prosiect Gwyrdd is on track and to timetable but the Council's procurement of treatment capacity for food waste is at a far earlier stage than other procurements involving the other councils in Wales.

Key proposals for improvement – waste management

- Develop waste prevention initiatives and actions to support the Council's waste strategy. Work in partnership with communities to support delivery of the waste strategy.
- Establish a clear understanding with the Welsh Government about the main components of a longer-term waste strategy for Cardiff for the next 10 years.

Significant progress has been made in establishing strong partnerships to support improvement of service delivery to neighbourhoods

The Integrated Partnership Strategy and plans for delivery by means of neighbourhood working provide strong foundations for improving services at a local level

- 51 In 2011 we agreed with the Council that we would undertake a two-stage review of the approach to neighbourhood management which, during the autumn of 2011, would firstly examine whether the arrangements in place were likely to lead to improvement and a second stage in 2012 that would examine whether improved outcomes were being delivered to citizens. To inform this report we assessed how the Council and its partners were organising themselves; whether they had agreed priorities and how those priorities were identified; and whether information and reporting arrangements were being put in place that would lead to an understanding of the outcome being achieved for citizens.
- 52 Significant progress has been made over the past two years in agreeing shared priorities and ensuring that the focus of activity addresses key needs and the issues that matter at a local level. In 2009 the Council began working with key statutory and voluntary partners, such as the Police, the Fire and Rescue Service, the Health Board, and Voluntary Action Cardiff to develop a single integrated strategy to meet the statutory responsibilities of individual partners and provide a structure for delivering the shared objectives set out in detail in

Appendix 4. During 2010 partners developed the ways in which they intended to evaluate the impact of what they were doing, undertook a strategic needs assessment and, from December 2010 to March 2011, undertook detailed consultation to find out what mattered to citizens and businesses. This culminated in the publication of *What Matters 2010:2020 the 10 year strategy* which provides the focus for delivery of the activity of the partnership.

- 53 The Council and its partners have integrated teams at a local level. The city has been divided into six neighbourhood management areas, and teams made up of staff from partner agencies work together in these neighbourhoods with the aim of sharing local knowledge to address specific problems in the neighbourhood. Information gathered during the strategic needs assessment has been transferred to the local level and is being used by the six teams to develop action plans for their neighbourhood.
- 54 An Integrated Partnership Board comprising the senior managers from partner organisations has been established and met for the first time in October 2011 and will drive implementation of the *What Matters* strategy. Neighbourhood Management Teams will report on a regular basis to the Integrated Partnership Board, and a Scrutiny Panel involving Cardiff councillors and representatives of partner organisations is being established.
- 55 A key element of the work undertaken during 2011 was the development of the measures that are to be used to assess whether the arrangements that have been put in place are actually working. Having agreed their key priorities the partners have agreed what they intend to do and, for each of the priorities, set out the measures they will use, drawing relevant information from each of the partners, so, for example, to meet the priority of reducing health inequalities across the city, partners intend to target the resources used, and aim for a reduction in the percentage of low-birth-weight babies as a measure of what is being achieved.
- 56 The foundations for change have now been established and the Integrated Partnership Board is moving into the next phase of ensuring intentions are delivered and desired outcomes are achieved. Plans are in place to support the transition and during 2012 we will be assessing the outcomes achieved and will report on progress next year.

Key proposals for improvement – neighbourhood management

- Further develop the arrangements for performance monitoring and reporting for neighbourhoods to ensure that the Integrated Partnership Board and the Programme Board have the evidence to both monitor delivery of actions but also assess if improved outcomes for citizens/the public have been delivered:
 - complete and implement 2011-12 Annual Action Plans;
 - ensure that Annual Action Plans for 2012-13 are produced and ready for the start of the financial year; and
 - complete Annual Reports for 2011-12 for each neighbourhood.
- Ensure that Service Redesign projects across the Council consider the resource requirements and implications of working with the Neighbourhood Management Delivery Model adopted by the Council and Partners.
- Ensure managers responsible for service delivery understand the concept of neighbourhood management, collaborative working and how their service can respond to the agenda.
- Ensure that staff within the Council know about the Neighbourhood Management Delivery Model adopted by the Council and Partners and that they understand the role they play in its implementation.

The Welsh Language Board praised the provision of services by the Council but identified the need for development of some aspects of service

- 57 The Board praised the Council for the new online translation request system that enables internal customers to send documents. The Board also praised the fact that translation is now free of charge for Council departments, thus removing an obstacle to increasing bilingualism. The Board's inspection work found that the Council had complied fully with its Welsh Language Scheme on nearly every occasion in the provision of its website, official notices and electoral documentation for the public. However, the Council received a number of complaints of a similar nature during the year, mainly related to a lack of Welsh speakers, monolingual English correspondence and signage. The Council will need to address the issues raised in order to prevent a recurrence in the future.

The Council has good arrangements in place for monitoring performance and is making progress in developing the ways in which it evaluates the impact of what it is doing

- 58 The Council met its duty to publish its assessment of its performance in 2010-11 by publishing its *Improvement Plan 2010/11* on its website before the end of October 2011. In recent years the Council has improved the structure of its assessment and the document makes clearer links between what the Council said it would do and what happened. Like the assessments produced by the majority of councils in Wales the document tends to provide a statement of activity undertaken rather than provide an evaluation of the impact of that activity. This is primarily because the Council is in the process of refining its performance measurement and reporting arrangements to improve its ability to identify the results of its activity.
- 59 Changes to the quarterly performance reports to members began during 2010, when greater focus was given to highlighting issues for discussion. During 2011 the Council used consultancy support to review existing performance arrangements to:
- identify potential improvements needed;
 - begin any process of change; and
 - foster different thinking about the type of information that should be reported to enable senior officers and members to evaluate the impact being achieved.
- 60 Feedback from Executive members and members of the Policy Review and Performance Scrutiny Committee led to provision of information of specific interest to members, such as sickness absence, to support Executive and scrutiny assessment. The new reporting style is an improvement on the previous practice of reporting against a fixed range of performance indicators – the Council is moving onto the next stage of refinement to incorporate information that allows the Council to identify how well it has met its key objectives, including outcomes for service users, at the end of each year.

Appendices

Appendix 1 Status of this report

The Local Government (Wales) Measure 2009 (the Measure) requires the Auditor General to undertake an annual Improvement Assessment, and to publish an Annual Improvement Report, for each improvement authority in Wales. This requirement covers local councils, national parks, and fire and rescue authorities.

This report has been produced by the Auditor General to discharge his duties under section 24 of the Measure. The report also discharges 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.

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

The annual Improvement Assessment is the main piece of work that enables the Auditor General to fulfil his duties. The Improvement Assessment is informed by a forward-looking assessment of an authority's likelihood to comply with its duty to make arrangements to secure continuous improvement. It also includes 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. This report also summarises the Auditor General's conclusions on the Council's self-assessment of its performance.

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 may also take account of information shared by relevant regulators (under section 33) in his assessments.

Appendix 2

Useful information about Cardiff and Cardiff Council

The Council

Cardiff Council spends approximately £518 million per year (2010-11). This equates to about £1,541 per resident. In the same year, the Council also spent approximately £136 million on capital items. The average band D council tax in 2010-11 for Cardiff Council was £905.65 per year. This has increased by 1.94 per cent to £923.24 per year for 2011-12.

The Council is made up of 75 elected members who represent the community and make decisions about priorities and use of resources. The political make-up of the Council is as follows:

- 34 Liberal Democrat
- 16 Conservatives
- 14 Labour
- 6 Plaid Cymru
- 3 Independent
- 1 Heath Independent
- 1 Llanishen Independent

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

Executive

Leader Rodney Berman	Corporate
Deputy Leader Neil McEvoy	Transport and Economic Development
Deputy Leader Judith Woodman	Communities, Housing and Social Justice
Councillor Freda Salway	Education and Lifelong Learning
Councillor Margaret Jones	Environment
Councillor Mark Stephens	Finance and Service Delivery
Councillor Kirsty Davies	Health, Social Care and Wellbeing
Councillor Nigel Howells	Sport, Leisure and Culture
Councillor Lisa Ford	Highways

Senior Management Team

Chief Executive	Jon House
Chief Operating Officer	Vacant
Corporate Chief Officer Corporate Services	Christine Salter
Corporate Chief Officer Shared Services	Philip Lenz
Corporate Chief Officer Communities	Sarah McGill

Other information

National Assembly Members

Cardiff Central	Jenny Rathbone
Cardiff North	Julie Morgan
Cardiff West	Mark Drakeford
Cardiff South and Penarth	Vaughan Gething
South Wales Central	Eluned Parrot, Leanne Wood, David Melding, Andrew R T Davies

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 or contact the Council:

Telephone	029 2087 2087 (English) or 029 2087 2088 (Cymraeg)
Email	C2C@cardiff.gov.uk
Post	Cardiff Council, County Hall, Atlantic Wharf, Cardiff, CF10 4UW

Appendix 3

Cardiff Council's accounts and use of resources

Independent auditor's letter and report to the Members of Cardiff Council

Councillor Rodney Berman
Leader
Cardiff Council
County Hall
Atlantic Wharf
CARDIFF
CF10 4UW

Our ref AJB150/JMcC/am
Date 22 November 2011

Dear Rodney

Annual Audit Letter to the Members of Cardiff Council

As you will be aware the Auditor General for Wales will be issuing an Annual Improvement Report (AIR) to each local authority by the end of January 2012 and some 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 my statutory responsibilities into this short letter which forms the Annual Audit Letter. The letter is designed to be a standalone document, but will also be presented to the Council and the public as part of the AIR and therefore discharges my reporting responsibilities under the Code of Audit Practice.

Cardiff Council complied with its responsibilities relating to financial performance and use of resources but there are matters for me to report in my Financial Statements Memorandum

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 issued by the Auditor General 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.

On 29 September 2011, I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Council's core and group financial position and transactions. I also issued an unqualified audit opinion in respect of the accounting statements of the Cardiff and Vale of Glamorgan Pension Fund. My report is contained within the Statement of Accounts.

From 2010-11 local authorities in Wales are required to produce their accounts on the basis of International Financial Reporting Standards. The introduction of these new standards imposed significant additional demands on the Council's finance staff. Despite these additional pressures, the accounts were prepared by the statutory deadline and were of a good quality.

Matters arising from the accounts audit were reported to members in my Audit of Financial Statements report and further details will be reported to officers in our Financial Statements memorandum in due course.

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 Improvement Assessment under the Local Government Measure (2009). While the main findings from this latter work will be set out in the Annual Improvement Report (AIR), in our letter of 21 July 2011, we brought the following matters to the attention of the Council's Chief Executive:

- The Council leadership is continuing to drive change and is actively working to address previously identified issues. Priorities for the coming period should be to clearly demonstrate the benefits arising from the transformation programme particularly in the context of improvements being delivered to citizens.
- The Council is well placed to address its financial challenges. The Council has a medium-term financial plan and can demonstrate strong and accountable financial leadership. Roles and responsibilities are clear at member and senior officer level. Budget and service planning processes enable the Council to specify priorities and make choices within its means. The planned development of performance measurement arrangements should enable the decision-making process to be strengthened as outcomes of action become clearer.
- Clear progress is being made in the development of corporate asset management arrangements although the Council needs to embed property requirements in service planning and establish clear milestones to enable evaluation.

In September 2010 I received a disclosure under the Public Interest Disclosure Act. My investigation of these matters is ongoing. Whilst I am satisfied that these matters do not impact on my opinion on the Statement of Accounts for 2010-11, as the work is ongoing I am not able to issue the certificate of completion. This was reflected in my Auditors Report.

The fee for undertaking the 2010-11 audit of the financial statements is expected to be in line with that set out in the Annual Audit Outline. However, additional fees will be charged in relation to the work required to complete our investigation into matters referred to us under the Public Interest Disclosure Act (to which paragraph 7 refers). The fee for work conducted under the Local Government Measure will be notified separately.

Yours sincerely

Anthony Barrett

Appointed Auditor

22 November 2011

Local electors and others 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 for 20 working days after they are made available. 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 or by writing to us at 24 Cathedral Road, Cardiff, CF11 9LJ.

Appendix 4

Cardiff Council's improvement objectives and self-assessment

Cardiff Council's improvement objectives

The Council published its improvement objectives in its Corporate Plan which can be found on the Council's website at www.cardiff.gov.uk. They are:

Cardiff Council's improvement objectives	
1 People in Cardiff are safe and feel safe	<ul style="list-style-type: none">• Safeguard vulnerable citizens.• Reducing crime, fear of crime and antisocial behaviour.
2 Cardiff has a thriving and prosperous economy	<ul style="list-style-type: none">• Strengthen public-private sector networks to develop and support successful local businesses.• Becoming a world-class business and visitor destination.
3 People in Cardiff achieve their full potential	<ul style="list-style-type: none">• Improving the quality of planning and partnership working at both strategic and operational levels to improve learner outcomes and promote social inclusion.
4 Cardiff is a great place to live, work and play	<ul style="list-style-type: none">• Delivering sustainable travel choices.• Developing Cardiff as an international centre for arts, culture, entertainment, heritage, sport, leisure and events.
5 People in Cardiff have a clean, attractive and sustainable environment	<ul style="list-style-type: none">• Delivering effective and efficient waste management measures.• Creating a cleaner city.• Creating a more sustainable and greener city.• Regenerating Local Neighbourhoods.
6 People in Cardiff are healthy	<ul style="list-style-type: none">• Promoting and supporting Healthy and Active Lifestyles.• Ensuring High Environmental Standards.• Ensuring that vulnerable people have access to services to reduce health inequality.

Cardiff Council's improvement objectives (continued)

7 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.

8 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.

Cardiff Council's self-assessment of performance

The Council's self-assessment of its performance can be found in its *Improvement Plan 2010/11* on its website at www.cardiff.gov.uk by typing 'improvement plan' into the search facility.

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