



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

# Annual Improvement Report

## **Monmouthshire County 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 Monmouthshire County 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, Alastair McQuaid and Nick Selwyn 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 Monmouthshire?

1 Monmouthshire's geographic area is 850 km<sup>2</sup> and is the seventh largest local authority area in Wales. It accounts for 4.1 per cent of the total area of Wales. The eastern and southern boundaries of Monmouthshire are along the River Wye and Severn estuary. The county is bordered by Newport to the south, Torfaen and Blaenau Gwent to the west and Powys to the north.

geographic area  
850 km<sup>2</sup>  
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2 The Council's administrative headquarters are at the former Gwent County Hall at Cwmbran – outside of its own jurisdiction in the neighbouring borough of Torfaen. However, there are plans to move the Council's headquarters to new offices in Usk and Magor commencing in 2011. The county is mainly rural but there are several main towns spread throughout it. These are Abergavenny, Caldicot, Chepstow, Monmouth and Usk.

population  
87,967  
//////////

16,099 aged 0-16  
18,025 aged >65  
//////////

3 Based on the latest Assembly Government Statistical Directorate mid-year estimate (2009), Monmouthshire's population is 87,967, living in approximately 38,000 households. This is the fifth smallest council area population in Wales. It has a slightly lower proportion of people of working age and a higher proportion of people of retirement age than Wales as a whole. The 2009 mid-year estimates show that there were 16,099 children (aged 0 to 16) and 18,025 people aged over 65 in the area. The local population is projected to increase by seven per cent by 2033.

# Is Monmouthshire County Council well managed?

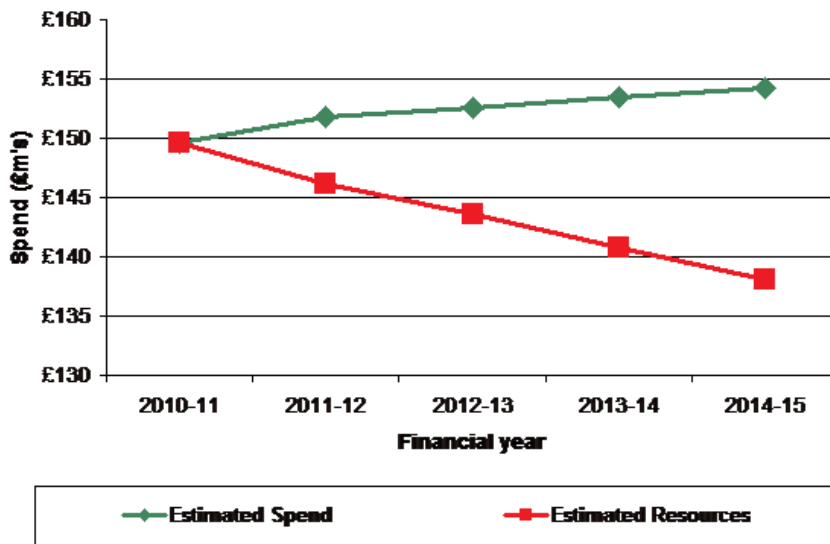
- 4 Managing such a large organisation with its diverse range of services is very complex. Last year, the Wales Audit Office produced a Corporate Assessment report commenting on the Council's organisational and management arrangements. Our findings from that report are included in this report in [Appendix 3](#). The whole Corporate Assessment report can be found via the Council's website or on the Wales Audit Office website at [www.wao.gov.uk](http://www.wao.gov.uk).
- 5 The overall conclusion of that report was that the Council is developing an ambitious approach to secure improvements for its communities in a challenging financial climate. It will need clear, consistent leadership and management to ensure that it delivers the anticipated benefits.
- 6 In other words, the Council is responding well in the recession and developing plans to help local people. It needs to make sure it manages how it develops and delivers these plans if all the things it wants and needs to do are to be achieved.
- 7 The Council has provided good services in the past but did not always consider how to improve them. Now the Council is looking at ways of saving money and providing better services for local people by changing how it works and what it does. The Council acknowledges that it needs to manage these changes well if local people are going to benefit.
- 8 The Council has good leadership and is making lots of important changes. It works well with lots of other local agencies like the Aneurin Bevan health board and Gwent police. It manages its finances well and is currently agreeing its approach to cost savings for the next five years. The Council understands what it needs to do and develops plans reasonably well, but it cannot always clearly show that its actions result in local people being better off. For services to get better in the future, the Council must continue to improve how it works with other public sector bodies and stakeholders and how it uses its staff, manages their work and uses its buildings to deliver services.
- 9 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 Council will see a reduction of around £1.662 million (1.7 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 £3.5 million (3.58 per cent). Because the Assembly Government publishes these budgets for one year at a time, it is hard to be certain about the impact over the medium term. The Assembly Government's own spending plans show that total revenue spending on local government will be 3.3 per cent less in 2013-14 than in 2010-11 (a real terms cut of 6.7 per cent).<sup>1</sup> For the Council, the provisional settlement has meant a decrease of 3.3 per cent for revenue on a like for like basis and a 20.5 per cent decrease in general capital funding for 2011-12. Indicative Assembly Government figures show further real terms reductions in the Council's revenue funding for 2012-13 and 2013-14.
- 10 The Council is seeking to improve the accessibility of its services by better using technology to support service delivery. It has also implemented a medium-term financial plan to proactively account for the financial constraints it will face in the coming years. It has recently reorganised its senior management structure through the creation of a new Leadership Team (see [Appendix 2](#) for details).

<sup>1</sup> Real terms means the effect of inflation is taken into account. There are lots of different measures of inflation. The figures used for public sector budgets come from the Treasury's GDP deflator series.

- 11 The auditor appointed by the Auditor General recently confirmed that the Council's financial statements were generally satisfactory and that money had been spent in a proper way. **Appendix 4** gives more detail.
- 12 The money the Council spends comes mostly from central government which provides revenue and capital funding. Revenue funding pays for the services the Council provides and the staff the Council employs. Capital funding is used to pay for things like buildings and roads. In addition to the money the Council receives from central government, the Council raises funds through council tax and from fees and charges. It can also generate income from selling off land and buildings it owns but which are no longer required.
- 13 At the beginning of each financial year, the Council has to set a balanced revenue budget to manage within the available funds, and then it monitors actual expenditure against this. The Council has consistently had one of the lowest revenue budgets for Welsh councils in the last 10 years<sup>2</sup>. In 2009-10, it set a revenue budget of £141.4 million, which is in the lower quartile of Welsh councils. In 2010-11, the budget was £149.5 million.
- 14 The Council continues to develop and refine its approach to medium-term financial planning and how to make best use of the money it has. Since our Corporate Assessment report in August last year, the Council has undertaken further work to assess its likely revenue resources in the future. The budget is predicted to grow to £151.8 million next year and £152.5 million the year after. However, at the same time the Council predicts a growing revenue deficit of £8.7 million in 2011-12 which increases to £28 million by 2014-15. – **Exhibit 1**. Since then the budget proposals put forward by Cabinet in November 2010 closed the deficit to £0.491 million for 2011-12. Cabinet will take their final budget decision in February and further work is underway to enable a balanced budget to be set.
- 15 The Council's budget has been well-managed in recent years with balanced budgets achieved at both directorate and corporate level. This, and a good track record of spending within available resources, provides a sound foundation for the Council as it enters a period of financial austerity and significant change.
- 16 If it is to secure the level of savings it envisages, the Council must address some significant challenges. Its budget consists of money raised locally by the Council and grants from the Assembly Government. In 2008-09, only 53.5 per cent of expenditure came from government grants. The Welsh average was 62.8 per cent which means the Council is one of the least reliant of all Welsh councils on government grants as a proportion of revenue expenditure.

<sup>2</sup> Stats Wales website, Revenue Budget Requirement, by local authority (£ thousand) 2000-01 to 2009-10

**Exhibit 1: Medium Term Financial Plan Predicted budget spend and income 2010-11 – 2014-15<sup>3</sup>**  
 The Council needs to agree a balanced budget to address the predicted budget deficit.



Source: Monmouthshire County Council, Medium Term Financial Plan 2011-2015, October 2010

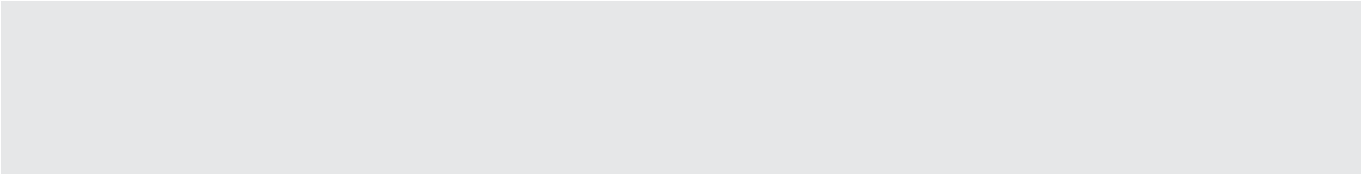
- 17 Consequently, council tax as a proportion of overall revenue expenditure is the highest in Wales. In 2010-11, it accounts for 30 per cent of the Council's revenue expenditure or £42.7 million. Council tax arrears have increased in recent years and at the end of March 2010 stood at £3.662 million. Proportionally, this was one of the highest levels of council tax outstanding per chargeable dwelling for all Welsh councils. The Council's in-year council tax collection rate as a percentage of the debit was 96.7 per cent in 2008-9 which marginally fell to 96.5 per cent in 2009-10<sup>4</sup>. Traditionally the Council has increased its collection rates to 99 per cent when payment received after March is included.
- 18 The Council needs to address its arrears position to ensure it receives all the income it is owed to support its budget reduction decisions.
- 19 The Council has developed a range of options to secure savings. Some of these have already been implemented, such as the senior management review which the Council has reported will result in full-year savings of £900,000. Others are in various stages of development for implementation in the future. Largely the proposals relate to four broad areas:

<sup>3</sup> Monmouthshire County Council, Medium Term Financial Plan 2011-2015.

<sup>4</sup> The collection of any arrears of council tax, and the former community charge, are excluded. The figures are net of all deductions such as council tax benefit and cover collection of council tax within year only. Information is taken from Assembly Government Statistical Directorate, SDR 90/2010, Council Tax Collection Rates in Wales 2009-10, 17.6.10.

- Introducing new ways of delivering existing services to make savings and improvements – for example, the Gwent-wide work on supporting vulnerable older people to maintain their independence. It also includes de-commissioning services or service elements which are not statutory or could be provided better by others. The Council estimates it can achieve £1.375 million savings in 2011-12 through this work stream.
  - Transforming the business – changing staff terms and conditions and improving the way the Council performs its work. For example, a greater proportion of staff working remotely and from home. The anticipated savings through business transformation for 2011-12 are £3.857 million.
  - Improving asset management – making better use of estates, offices and equipment and reducing expenditure on facilities. This includes the relocation of County Hall from Cwmbran to Usk which is predicted to result in significant ongoing revenue savings.
  - Treasury savings – The Council believes that its work on asset management and treasury savings will release £0.2 million in 2011-12.
- 20 The Council is developing specific options and plans for reducing spend and transforming service delivery. It anticipates that these will result in significant cost savings, some £7.9 million in 2011-12 and up to £10 million per year from 2014-15 onwards. Despite these plans, the Council still predicts – based on the current assumptions of spend, income and predicted savings – that a residual budget deficit will prevail. In 2011-12, this is estimated to be £0.5 million and in 2012-13 onwards between £4.738 million and £5.9 million. The Councils Cabinet are currently working on the
- final budget proposals that will achieve a balanced budget for 2011-12 and a remaining gap in years two, three and four of the Medium Term Financial Plan of £2.7 million.
- 21 The Council recognises that it needs to look at other options to secure savings. Nevertheless, the Council is progressing well with how it is proposing to address the financial difficulties faced by all public sector bodies. It is proposing to consult on a Council tax increase of three per cent in 2011-12 and the Cabinet has agreed its priorities for service provision. These are direct spending in schools, services to vulnerable children and adults, and activities that support the creation of jobs and wealth in the local economy. The Council acknowledges by doing so that its other services will bear a larger proportion of budget reductions.
- 22 The Council has identified the need for significant capital resources to improve infrastructure, develop new services and upgrade existing facilities. The predicted capital requirement is £167.2 million and includes over £70 million to continue its work on school modernisation and the Council has submitted a detailed School Organisation Plan to the Assembly Government which sets out its medium term vision for its school estate. The Council also requires £51 million for highways improvement and £17 million on property maintenance arising from stock condition surveys.
- 23 As with revenue monies, the level of capital funding available to the Council is also set to reduce considerably. Because councils make bids to the Assembly Government for capital funding, it is not possible to be entirely clear about how much each council will get. The total sum of capital available to Welsh 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.<sup>5</sup>

- 24 Historically, the Council has one of the lowest levels of money available to invest in capital projects in Wales. In 2008-09, its capital expenditure was £16.1million, one of the lowest levels for all Welsh councils<sup>6</sup>. Of this figure, £7 million was provided by the Assembly Government. This was the lowest allocation for any Welsh council and well below the average grant for all councils of £23.7 million. In recent years, the amount of money raised by the Council through sales of assets has declined falling from £7.6 million in 2007-08 to £1.8 million in 2008-09. The Council funded £1.5 million of capital funding from its revenue budget in 2008-09, well below the Welsh average of £4.7 million. The Council has recently agreed its capital budgets for 2011-12 through to 2013-14 and has approved an increased capital budget of £23.155 million for 2011-12.

<sup>5</sup> Stats Wales website, Revenue Budget Requirement, by local authority (£ thousand) 2000-01 to 2009-10

<sup>6</sup> Monmouthshire County Council, Medium Term Financial Plan 2011-2015, Page 10

# Does Monmouthshire County Council know what it needs to do to improve?

## Planning to improve what matters most

- 25 The Assembly Government requires all councils to publish their plans for improving their services and how they will go about doing so. The Council adopted its Corporate Improvement Plan) in September 2010. It plans to deliver improved results for citizens in the future against five broad strategic outcomes. These are consistent with the Assembly Government's national strategic priorities for Wales and seek to ensure that people in Monmouthshire:
- live safely and are protected from harm;
  - live healthy and fulfilled lives;
  - benefit from education, training and skills development;
  - benefit from an economy which is prosperous and supports enterprise and sustainable growth; and
  - benefit from an environment that is diverse, vibrant and sustainable.
- 26 The Council has used its other key plans – for example, the Health Social Care and Well-being Strategy and the Children and Young People's Plan – to set a range of improvement targets and objectives. It is developing further plans which the Council and its partners will use to coordinate improvements against the five strategic outcomes. For example, the Council is proposing to revitalise its approach to economic development and regeneration and recently adopted its Green Deal for Monmouthshire policy – a framework to deliver low carbon initiatives and interventions in the county.
- 27 So that councils focus on making a difference to the things that matter most to local people, the Assembly Government requires councils to set improvement objectives and then report what they have achieved. For 2010-11, the Council has decided to concentrate on nine improvement objectives:
- reducing the impact of alcohol-related violence, crime and anti-social behaviour across all communities in Monmouthshire;
  - bringing together health, social care and independent sector agencies in a single model of community based services as part of the Gwent Frailty Project;
  - improving the range and quality of services for vulnerable people and their carers;
  - exploring housing quality to meet the needs of older people;
  - developing the Flying Start provision in Over Monnow and north Abergavenny;
  - introducing the School Effectiveness Framework to raise standards, improve key skills in literacy and numeracy and address the impact of poverty on educational performance;
  - encouraging the development of a more diverse, robust and prosperous local economy and devising an employment generation strategy;
  - working in collaboration with partners to progress Project Gwyrdd to develop sustainable alternatives to landfill; and
  - promoting the reduction of carbon emissions from Council buildings and working with others to reduce emissions in the wider community.

- 28 The Council must publish its improvement objectives as soon as practical after the beginning of April each year. In this transition year, the Council delayed publication of its improvement objectives to align them with work on agreeing priority outcomes. The Council adopted its improvement objectives at the end of September 2010 and these are set out in its Corporate Improvement Plan. The Corporate Improvement Plan can be downloaded from the Council's website or provided in hard copy on request. In October 2010, following the adoption of its Corporate Improvement Plan, the Council undertook further work on the improvement objectives and revised them by increasing the number of priorities from seven to nine and changing the focus of six of the original seven to varying degrees.
- 29 In setting its improvement objectives for 2010-11 the Council considered the findings of existing consultation activity such as the work undertaken on the Health Social Care and Well Being Strategy and the Director of Social Service's Annual Report. We think that in future the Council needs to publish its improvement objectives and Corporate Improvement Plan early in each financial year to ensure citizens understand what the Council's priorities are and what benefits they can expect. It should also ensure local people and stakeholders are consulted about these plans and objectives so that they can have their say.
- 30 The Corporate Improvement Plan includes a range of broad actions intended to support delivery of these strategic objectives. In the past, delivery of the Corporate Improvement Plan priorities has been supported by individual services which publish annual development and delivery plans. These plans detail the actions, work programmes and service priorities to both deliver the corporate plan priorities and deliver improvement generally.
- Responsibility for development and delivery plan actions and targets is devolved to service teams and individuals and delivery is monitored through the Employee Review and Development Scheme.
- 31 In our Corporate Assessment we concluded that the development and delivery plans were unclear, inconsistent, and often failed to reflect the Council's corporate improvement priorities. The Council has started to change its service planning structure to ensure that it better focuses activity on delivering improvements that matter for local people. This will entail replacing the development and delivery plans with service plans.
- 32 An important change in developing the new system will be the establishment of clear alignment between individual staff performance and delivery of Council-wide priorities, including the improvement objectives. The Council wants this to emphasise individual accountability for performance; consistently tackle poor performance and focus on driving improvement. It is too early to say whether this new approach will support the Council's performance management and delivery of its priorities and we will look at this aspect in greater detail in the next year.
- 33 We have assessed the Council's improvement objectives to judge whether it is clear how people will benefit. We concluded that broadly the measures of success are not well defined and it is not always obvious what benefits will result in the future. As such, the Council will be unable to make fair and accurate assessments of progress towards the objectives and how things have improved for local people. Thus it will remain difficult for the Council's contribution to broad local objectives like increasing employment opportunities to be measured. The Council needs to improve on how it proposes to measure its impact.

34 We found that the Corporate Improvement Plan generally includes limited appropriate performance measures and no baselines from which to judge improvement over time for many of the improvement objectives. Examples are the objectives relating to the Gwent Frailty project, Project Gwyrdd, the impact of alcohol-related violence, crime and anti-social behaviour and reduction in carbon emissions. Similarly, the Council does not consistently provide information on the current problems being experienced, the scale of the challenge to be tackled or what the expected improvements are. For example, this is not made clear in the objective on the Gwent frailty project, improving the range and quality of services for vulnerable people and their carers and housing for older people.

35 Our assessments of the individual improvement objectives are set out below.

### Showing how people benefit from what the Council does

36 We also assessed the Council's arrangements for planning and resourcing improvements. Overall, the Council did not consult with its full range of stakeholders. The Council advised us that some communities influenced its choice of some improvement objectives but it presented no evidence of routine, systematic consultation. However, it has since welcomed feedback from residents and has publicised the channels that exist for them to comment on its priorities and improvement objectives.

37 We see clear evidence that the Council is at a significant point of change and is seeking to focus its future priorities for improvement on outcomes that are important for individuals and communities. At the same time the Council is fundamentally changing its structures and as such there are some disconnects that require attention. For example, improvement objective plans fail to clarify the cost of its planned activities; the source of the resources required for each task; responsibilities and accountabilities; reporting and management arrangements; delivery timescales or progress milestones. The Council accepts that there is more work to do on this and has created the post of corporate Head of Improvement to bring the necessary leadership to these areas. It has also recently adopted a new project and programme management delivery model.<sup>7</sup>

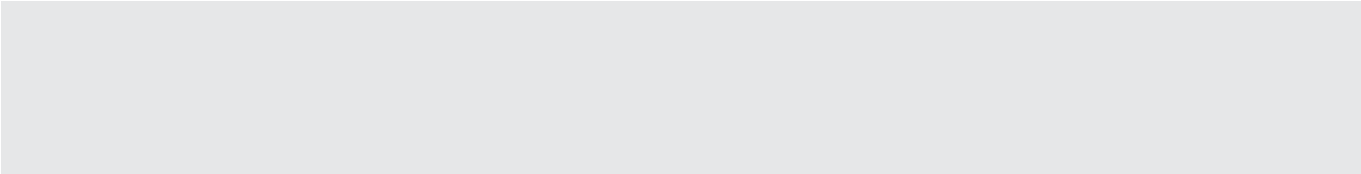
38 Every council needs to have good information and use it well if it is to provide good services and make them even better. The Council has well-established systems for reporting information on performance but we found from our work looking at the latest performance indicators, that the quality of information and systems used to collect it was not as good as it has been in previous years.

39 The national strategic indicators<sup>8</sup> which all councils are required to report do not necessarily provide a good basis for showing that local people are better off as a result of what it does, what services cost or for comparing how well different councils are serving people. However, they remain one of the few sources of comparative data on the performance of councils in Wales that is publically available for analysis.

<sup>7</sup> Monmouthshire County Council, Cabinet Paper, A revised Programme Structure for the Council, January 5th 2011.

<sup>8</sup> The National Strategic Indicators are collected by each local authority and reported in their Improvement Plans. The National Strategic Indicators focus on key strategic priorities. Local authorities are legally obliged to collect and publish data for the National Strategic Indicators, under the Local Government (Best Value Performance Indicators) (Wales) Order 2008.

- 40 Currently there are 38 National Strategic Indicators set by the Assembly Government covering a wide range of services. Overall, the Council's performance in the last year has seen an improvement on 21 of the National Strategic Indicators; a decline in performance on six; and nine stood still. Those services that performed well included adult social care, housing and waste management. We found that for 2010-11, the Council has set some targets which support a decline in performance and its clear on this basis that it does not expect to see improvements taking place on these National Strategic Indicators. For example, indicators for housing (the average number of working days between homeless presentation and discharge of duty for households found to be statutory homeless is predicted to rise from 207 days to 235 days) and education (the average external qualifications point score for 16 year olds, in learning settings maintained by the local authority which was 382 in 2009-10, has a target of 358 in 2011-12).
- 41 The Assembly Government does not expect councils to achieve continuous improvement against all of the National Strategic Indicators. Reductions in public funding mean that all councils will need to make explicit decisions about priorities, which may lead to their performance declining in some areas. The Council should identify minimum service standards for non-priority areas against which performance can be monitored, to ensure that acceptable standards of service are maintained.
- 42 We undertook a review of the Council's evidence submission to the Assembly Government to support achievement of its improvement agreement targets in relation to Assembly Government national priorities. We concluded that, overall, the Council had made good progress in delivering its improvement agreement but a small number of targets had not been fully met and could have been more challenging.
- 43 It is not very clear how well the Council is performing relative to others as the Council makes limited use of information to compare its performance with other councils in its public reporting. For example, the Corporate Improvement Plan highlights performance against Welsh averages but does not include any information on the range of performance achieved by councils on individual indicators or the ranking of the Council in comparison to others. This means that citizens are unable to judge how well the Council is serving them in comparison to other Welsh councils.
- 44 Also, we found that the performance information tends to be about how much the Council is doing rather than if it is making a difference to outcomes for people. Consequently, the Council is not clear how much of an impact services have had on individuals and communities, and cannot always know whether or not it is delivering real value for money in all its services. The Council is, however, seeking to address this through the implementation and roll-out of a new approach to managing its performance called Outcome Based Accountability. This will allow it to more closely link performance with the outcomes it is seeking to achieve by measuring activity against three core issues – how



much we did; how well we did it; and is anyone is better off as a result. They should also develop relevant cost indicators. We also recognise that improvements in many of these objectives cannot always be measured quickly.

# Is Monmouthshire County Council serving people well?

- 45 Through the Auditor General's Improvement Assessment, we hope to gradually build a picture of how well the Council is serving local people. Each year, we will examine the Council's services and their progress against some of their improvement objectives in relation to three important aspects of life in Monmouthshire which cover most of the services that councils provide for citizens. They are:
- helping to support people in need;
  - helping people develop; and
  - helping to create a safe, prosperous and pleasant place to live.
- 46 In this year's assessment, we have looked at how the Council is doing so far on its improvement objectives so that next year the Council, and others, will be in a better position to understand how far performance has improved. We recognise that this is a transition year as the Council and the Wales Audit Office implement in full the requirements of the Local Government (Wales) Measure 2009.
- 47 This report does not aim to give a full picture of the Council's performance across the range of functions it undertakes and the services it provides because the Council's Corporate Improvement Plan reports a lot of information about this. Instead, our report focuses on particular areas that the Council has said it wants to improve, how the Council intends to do it and how it will account for its performance.

## Is Monmouthshire County Council supporting people in need?

- 48 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. It works on behalf of Welsh Ministers, but there are a number of safeguards in place to ensure its independence. Under new legislation there is a new framework in place for local authority social services inspection, evaluation and review.
- 49 Directors of social services are required to produce an annual self-assessment report on how well services are being delivered. The CSSIW will then undertake a review and analysis of evidence underpinning the report, including evidence from other regulators and inspectors. This analysis will result in an individual inspection and review plan for each council. The CSSIW's analysis, and the inspection and review plan, will be set out annually in a published letter.
- 50 2009-10 is the first full year of the new framework with the purpose being to establish a baseline of current performance. The key messages of the letter issued in December 2010 are summarised below.
- 51 The Council's Social Services has accurately recognised the challenges it faces in providing services in the county despite better health and economic factors than elsewhere in Wales. These include pockets of deprivation, the county's rural nature, and the changing age profile.
- 52 The Social Services department enjoys significant political engagement with the two elected members on the Council's Cabinet who are responsible for key areas: one covers the portfolio of adult social care, health and housing, and the other the portfolio for children, young people and learning. The quality of challenge from the Council's scrutiny committees is recognised as weak and the Council has put measures in place to improve this. The Council is still working to develop a robust performance management framework that is embedded across the directorate and supports continuous improvement. Children's services recognise some gaps in performance. Meeting some of the national performance indicators has proved challenging for the Council.
- 53 The Council has robust links between planning, commissioning and contracting. However, contract monitoring and evaluation of the quality of services is hampered by the low resource base within contracting services. The Council is not yet able to show the impact of initiatives and how it will maintain quality and innovation within limited resources.
- 54 The Council provides or commissions a range of services to meet needs, and adopts values and attitudes that underline its duty to support independent living. Health and social care work well together to provide joint senior management arrangements and jointly run services from preventive through to high-level packages for complex needs. Likewise, the Council also works effectively with other local authorities and partnership working supports joint commissioning in children's services.



- 55 The Children and Young Persons Plan is well integrated with other plans for young people. For adults, however, there is scope for further development particularly in linking needs assessments from different service groupings and creating an overarching strategic plan.
- 56 Social Services recognises that it needs to improve consistency from its assessment and care management teams. Specialist assessments have experienced significant delays, despite the improvements in timeliness of assessments from occupational therapists. Work is needed to improve the identification, assessment and support to carers to achieve better outcomes.
- 57 The Council provides an effective range of training and induction for its own staff, and recognises its responsibility for workforce development across the wider social care workforce. It has identified areas for development. These include improving the uptake of training by foster carers and succession planning to ensure it maintains a skilled workforce. Staff turnover has increased which has caused significant problems in children's services where it has been difficult to recruit to key social worker and team manager posts.
- 58 Social Services has devolved budgets to operational managers and has provided support to help them manage these. Budget pressures within the social services department have been recognised corporately and additional funding has been allocated for social care. Plans are in place to address areas of overspending and secure better value for money. Maintaining the pace of change has been a particular challenge. Progress has been slow in delivering against annual action plans, with some objectives repeated over several years.

**Improvement objective – We will bring together health, social care and independent sector agencies in a single model of community based services as part of the Gwent Frailty Project**

- 59 Supporting older people to live independent lives whenever possible in their own homes is an appropriate improvement objective for the Council because the Council's population includes a significant number of older people and it is predicted that the numbers will grow in the future. The improvement objective is clearly linked to the themes of the Council's community strategy; its Health Social Care and Well-Being Strategy; and the Corporate Improvement Plan priority of people living safely and being protected from harm.
- 60 For 2010-11, the actions the Council is seeking to deliver under this improvement objective are simply listed as working in partnership with other agencies within the Gwent Frailty programme. Because the improvements are focussed on health and social care working closely together, the benefits for citizens and older people in Monmouthshire are not clearly set out. The Council has also clearly made the links between the Gwent Frailty Project and delivery of its health and social well-being improvement objective. It has developed a business plan for implementation of the Gwent Frailty project but it has not demonstrated the scale of work proposed and the impact this will have on older people in Monmouthshire in the Corporate Improvement Plan. The Council should make the links between this business plan and the improvement objective clearer so that it can understand when local people have benefited from its activities.

- 61 National performance indicators show that Monmouthshire is currently working very well in comparison to other councils on its services for older people. For example, the rate of older people aged 65 or over whom the authority supports in care homes per 1,000 populations was the lowest in Wales in 2010, with 13 per 1,000 supported. Monmouthshire has remained the best performing council for the last five years.
- 62 Also, in 2009-10 the Council has the third best comparative performance on the rate of delayed transfers of care for social care reasons. In 2010-11, a record number of only six people were delayed on being discharged from hospital because social care arrangements were not in place. This is a 300 per cent reduction from 24 in the previous year. Similarly, the Council is the second best performer on the percentage of clients aged 65+ who are supported in the community.
- 63 We recognise that these performance indicators may not always provide a full picture of current service performance or the pressures the Council faces. However, as the Council has not provided a fuller baseline of current performance or clearly set out how its citizens will be better off, these are the only measures available to judge current performance.

**Improvement objective – We will improve the range and quality of services for vulnerable people and their carers**

- 64 This improvement objective clearly links to the themes of the community strategy; the Health Social Care and Well-Being Strategy; and the Corporate Improvement Plan priority of people living safely and being protected from harm.
- 65 The Corporate Improvement Plan in 2010-11 is focused on broadly delivering an action that carers in Monmouthshire will be able to access more support, primarily through the development of a volunteer-led befriending service. The measure of progress to judge improvement is focused on the Council having recruited volunteers before the launch of the scheme. We think that going forward, the Council needs to be clear what benefits it is seeking to deliver for carers and set appropriate measures to demonstrate performance over time.
- 66 The Council recorded the lowest percentage of carers of adults who were offered an assessment or review of their needs in their own right during 2009-10 with only 26.5 per cent offered an assessment. This service was well below the Welsh average of 80.8 per cent and a fall from 2008-09 performance of 39.3 per cent.

### Improvement objective – We will explore housing quality to meet the needs of older people

- 67 We consider the selection of this improvement objective to be appropriate. It supports delivery of the Council's outcomes of people being able to live safely and are protected from harm; and live healthy and fulfilled lives. It also seeks to deliver improvements for a significant and growing older population and is consistent with the priorities of the Council's Older Persons Accommodation Strategy.
- 68 For 2010-11, the Council is proposing to focus its activity on two streams of work. One looking at improving the quality of Disabled Facility Grants and one is looking at setting up and piloting a possible alternative approach to providing housing support for older people. We think these are appropriate areas to focus improvement activity on as improving the range and quality of support and adapting homes to make them suitable to live in both help older persons to maintain their independence.
- 69 Whilst the Council has an Older Persons Accommodation and Support Strategy which was consulted upon and adopted in 2010, it has not clearly set out the detailed actions it is proposing to undertake on the improvement objective and it is consequently difficult to judge what the benefits will be for older persons in Monmouthshire.
- 70 There are some good measures of progress included, such as service user satisfaction with the housing support pilot and reducing the proportion of tenants with support needs. But the measures of progress for Disabled Facility Grants are entirely focused on process issues – for example, complete the review of the service in 2010-11 – and do not include any outcome measures to demonstrate the positive impact of this work on the lives of older persons.
- 71 Currently, the Council's performance for the average number of calendar days taken to deliver a Disabled Facility Grants is in the top quartile recording an average of 260 days in 2009-10. This is well above the Welsh average of 349 days. The Council did not record its performance on the speed of delivery of low-cost adaptations for private dwellings in 2009-10. With regard to support to older persons – which is largely a legacy arising from the setting up of supporting people services – the Council provides comparatively, considerable resources for community alarm and sheltered housing services. In 2009-10, it was in the top and second quartiles of Welsh councils respectively for the proportion per 1,000 population receiving these services.

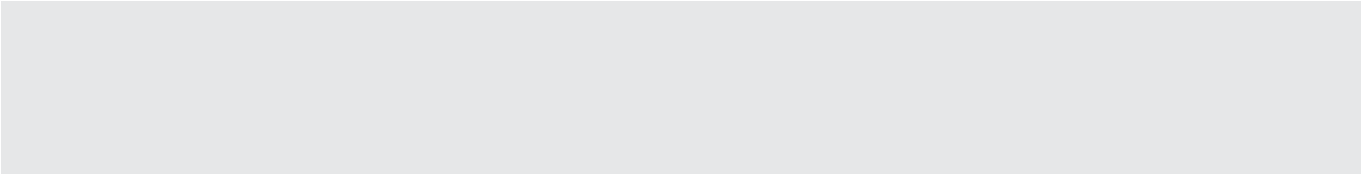
## Is Monmouthshire County Council helping people to develop?

- 72 The Welsh Language 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 Welsh Language Board. Every local authority is expected to provide the Welsh Language Board with an Annual Monitoring Report that explains how its scheme has been implemented. This report allows the Board to offer advice as to how a council might improve its local arrangements. The Board also undertakes its own reviews to assess the provision of Welsh language services and to promote improvement.
- 73 The Welsh language Board has found that the Council has not yet achieved or made sufficient progress with many of the objectives noted in the Council's Welsh Language Scheme, which was approved in March 2008. The Board has found that electoral documentation and the Council's website do not comply with the Welsh Language Scheme. The Council also lacks sufficient credible data to allow it to plan the delivery of Welsh-medium services, thereby placing the Council at risk of being unable to comply with its Welsh Language Scheme. Some measures are being taken to address the situation, such as the development of a Linguistic Skills Strategy and the Council has met with the Welsh Language Board and is addressing the issues raised.
- 74 The percentage of people aged three and over who spoke Welsh in Monmouthshire in 2008 was 12.1 per cent, which was one of the middle-ranked local authorities. The percentage of Welsh speakers has fluctuated since 2001, and since 2001 has been below the Welsh average.
- Improvement objective – We will develop the Flying Start provision in Over Monnow and north Abergavenny the same level of service is offered to both communities**
- 75 The focus on children and improving the provision of services is a priority in the Council's community strategy and the Children and Young People's Plan. It is also an appropriate improvement objective in the context of the Corporate Improvement Plan priority that people in Monmouthshire live healthy and fulfilled lives. For 2010-11, the Council is looking to develop the programme at Over Monnow to provide a similar level of service as is provided in the Abergavenny area.
- 76 The Corporate Improvement Plan identifies the intended outcome to be achieved in delivering this improvement objective as increasing the number and range of facilities provided and the number of users attending the Flying Start programme in Over Monnow. Whilst these are good measures to demonstrate how well the scheme is being used and what level of service is being provided, it would have been improved if it included some assessment of impact on individuals.

## Is the Council improving the skills of children and young people?

**Improvement objective – We will introduce the School Effectiveness Framework and reform the way we provide education. We will do this to raise standards of education, improve key skills in literacy and numeracy and address the impact of poverty on educational performance**

- 77 Estyn, Her Majesty's Inspectorate of Education and Training in Wales inspects how well councils are helping children and young people develop their skills. Estyn has a regular programme of inspections of pre-school services such as nurseries, schools, colleges and youth services. We work with Estyn to assess how well the Council supports all these services to help children and young people develop.
- 78 Educational attainment remains a key priority for the Council, as highlighted in the community strategy and the Children and Young People's Plan. This improvement objective is also a priority in the context of the Corporate Improvement Plan strategic objective that people in Monmouthshire benefit from education, training and skills development.
- 79 The Council is proposing to measure the success of its work by reducing the percentage of 16 year olds who do not continue in full-time education, training or employment. Given that the number of year 11 leavers for schools not in education, employment or training in Monmouthshire has increased from four per cent in 2004 to five per cent in 2009; we think this is an appropriate area for improvement. The Council intends to focus activity on enabling more young people aged 16-18 to benefit from academic studies, vocational training and skills development by working with schools, Coleg Gwent and Wales Career Service to support young people to pursue courses of their choice.
- 80 However, the Council has not included any actions or performance measures within its Corporate Improvement Plan that relate to the other elements of the improvement objective. There are no specific measures focused on educational attainment or on how the Council intends to address the impact of poverty on educational performance.
- 81 The Council is performing well in comparison to other Welsh councils in respect of its education service. For example:
- The percentage of working age adults with no qualifications has gradually fallen since 2001, being five to eight percentage points below the Welsh average, and it was the best performer in 2008-09. Similarly, the percentage of working age adults with qualifications at National Qualification Framework (NQF) level 4+ has gradually risen since 2001, being six to 12 percentage points above the Welsh average. In 2008-09, it was ranked the second best performing council in Wales.
  - The percentage of pupils achieving the Core Subject Indicator (CSI) attainment at KS2 in English or Welsh as a first language, mathematics and science in combination, performance has risen since 1999. The Council was ranked third best performer in Wales in 2009-10. Similarly, the percentage of pupils achieving CSI at KS3 in Monmouthshire the Council was ranked as the best performer in Wales in 2009-10.

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- The Council reported the best performance for the percentage of pupil attendance in primary schools in 2009-10 in Wales with a 94.48 per cent attendance rate. For pupil attendance in secondary schools, the Council was ranked the third best performer in 2009-10 with a 91.8 per cent attendance rate.

82 We recognise that solely referring to national performance indicators may not always provide a rounded picture of current service provision or the pressures the Council faces. However, as the Council has not provided a comprehensive baseline of how it intends to either judge its success in these areas or clearly set out how its citizens will be better off, these currently remain the only measures available to judge performance. We also think that the Council's plans to reduce the impact that poverty has on educational performance and improve skills in literacy and numeracy need to include more of the things that will influence and result in improvement in these specific issues. We will be looking at whether the Council has found ways to broaden its plans next year.

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

Improvement objective – We will encourage development of a more diverse, robust and prosperous local economy and will devise an employment generation strategy

- 83 The Council's focus on increasing employment and creating a diverse, robust and prosperous local economy is an appropriate and important activity to focus on in the current economic climate.
- 84 Monmouthshire has a high rate of employment and at the end of December 2009 it was estimated that there were 40,300 residents in employment in the county. Of these, 29,100 were believed to be employed in the private sector, 10,800 in the public sector and 400 were self-employed/unclassified. Monmouthshire has one of the lowest number of residents working in public sector services in Wales.
- 85 At August 2010, Monmouthshire had the second lowest number of claimants, recording 1,121 residents as claiming Job Seekers Allowance (2.1 per cent of the population aged 16-64). This was one of the lowest number for Welsh counties.
- 86 In 2009, the average weekly earnings in Monmouthshire stood at £468, this was in the third quartile amongst the 22 Welsh local authorities. Between 1999 and 2009, earnings in Monmouthshire were below the Welsh average with the gap increasing.
- 87 For 2010-11, the Council is focusing its activity on several key areas of action.
- 88 These are as follows:
- establishing a fundamentally new approach to promotion of the economy and entrepreneurship in Monmouthshire;
  - working with others to develop a strategy for employment generation within Monmouthshire;
  - implement seven rural development programmes each running for three years which are aimed at developing and improving the economic, business and community environment within Monmouthshire; and
  - implementing a Community and Economic Development Scheme to improve community facilities.
- 89 We recognise that implementing schemes focused on creating jobs can directly benefit unemployed people in Monmouthshire. The measures of progress used to judge their success, however, are mainly focused on establishing the individual programmes of work rather than reporting on the number of jobs created as a result of these initiatives or the reduction in unemployment as a result of this work within Monmouthshire.
- 90 We recognise that the positive impact of these new initiatives may not be realised quickly but believe that the Council should have included the range of measures and current information for all indicators it intends to demonstrate a beneficial impact on in the future. Including these measures would allow citizens to both understand what longer-term benefits the Council is seeking to achieve, and what its starting point is on all measures. It would also enable local people to be aware of the impact of the Council's work in the future, and consequently be able to hold it accountable.

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

**Improvement objective – We will reduce the impact of alcohol-related violence, crime and anti-social behaviour across all communities in Monmouthshire**

- 91 Keeping the citizens of Monmouthshire safe is important to the Council and its partners, and a number of joint initiatives and projects are planned over the next year. Specifically, the Council is seeking to deliver two improvements for citizens in 2010-11 – to combat under-age sales of alcohol through trading standards work; and to make it easier for people to access licensed taxis at night in the county. However, the actions are focused on making improvements to information flow and awareness raising and it is not clear how citizens will be better off as a result of this work.
- 92 The most recent crime data suggests that Monmouthshire is doing well in comparison with other areas. Monmouthshire has a crime rate four-fifths of the average for Wales. It has fallen steadily to three-quarters of the figure of seven years ago. Monmouthshire's crime rate is 61.83 per 1,000 populations. The highest proportions of these crimes are other theft offences (21 per cent) and criminal damage (20 per cent). Monmouthshire was ranked the seventh lowest council area for violent crime with injury in 2008-09. The rate of individuals referred to treatment services for alcohol misuse per 100,000 for Monmouthshire was the lowest of all authorities in 2008-09.<sup>9</sup>
- 93 We recognise that the Council works closely with Gwent Police and other services to try to find out how safe its communities are and to make them safer. The Council also works closely with other organisations in the voluntary sector to understand issues that cause problems in local areas and build stronger communities. The Community Safety strategy makes clear some of the local issues around these areas but these are not drawn out in the Improvement Plan. There is also no focus given to the associated health impacts and the scale of issues being addressed is not made clear.
- 94 Her Majesty's Inspectors of Probation undertake inspections of work with young offenders. In September 2010, they published a report on youth offending work in the area covered by Monmouthshire and Torfaen County Borough councils. The inspection team examined the quality of work done to safeguard the child or young person, protect the public by minimising the risk of harm to others and reduce the likelihood of reoffending. In each of these areas, the team make assessments that minimum, moderate, substantial or drastic improvement is required in the immediate future. In relation all three areas, the team assessed that moderate improvement is required. Overall, the team concluded that the service in Monmouthshire and Torfaen has good prospects based on committed and competent staff supported by enthusiastic and capable managers. The team made recommendations for improvement, particularly in relation to assessing offenders' needs and planning how to respond to them, documenting information and liaising with youth offending services in other areas. The service is required to produce a plan of action.

<sup>9</sup> Taken from the Welsh National Database for Substance Misuse, Health Solutions Wales, 2009



**Improvement objective – We will work in collaboration with our partners to progress Project Gwyrdd to develop sustainable alternatives to landfill**

- 95 This improvement objective is appropriate for Monmouthshire to have as it reflects its priorities and also improves the quality of its service and promotes sustainability. The Council, in partnership with four neighbouring councils in South Wales, is looking to develop an alternative to landfill for residual waste and through Project Gwyrdd is seeking to commission a residual waste treatment plant for 2016.
- 96 The Council has a good performing waste management service which is meeting current waste targets and has plans in place to meet future targets. There is a strong track record of making waste management work. Public satisfaction with the service is high and recent changes to service delivery have reduced costs and increased performance.
- 97 The actions proposed to deliver the improvement objective broadly identify a direction of travel with the aim of reducing waste sent to landfill and progress being made in delivering project Gwyrdd. However, no detail is included within the proposals setting out the specific activities that will be undertaken, when these will be delivered and what the anticipated benefit will be. Similarly, there is limited reference to the work of partners and how they contribute to delivery and no reference to how activity will be managed internally.
- 98 We found that the Council has set some relevant performance measures within the Corporate Improvement Plan to judge improvement over time. In addition, the Council is proposing to discontinue collecting data against the three National Performance Indicators that have been used to judge service performance in recent years. It is not entirely clear how the Council and its partners intend to measure success and demonstrate to citizens the benefits that will be realised through their work in this area.
- 99 Delivery of the Council's waste services is heavily reliant upon continued Assembly Government grant provision and there is concern that changes to funding including proposed linkage between the Assembly Government's preferred service delivery methodology and funding may have serious consequences for the Council's performance and future costs.

**Improvement objective – We will promote the reduction of carbon emissions from Council buildings and will work with others to reduce emission in the wider community**

- 100 We think this is an important improvement objective as it seeks to deliver the Council's outcome that citizens of Monmouthshire benefit from an environment that is diverse, vibrant and sustainable. For 2010-11, the Council is proposing to deliver three programmes of work. Each of these programmes also have measures of progress attached. The details are as follows:
- work with Envirowise on reducing waste arising from a leisure centre, library, one-stop shop and Coed Glas with the measure of progress defined as a waste reduction assessment being available for named buildings;
  - initiate and deliver a housing Community Energy Saving Programme with a measure of progress to increase the energy efficiency of housing association properties in Over Monnow and reduce CO2 emissions; and
  - develop an action plan for reducing fuel use and emissions from across the whole Council fleet, including use of an Energy Saving Trust Green Fleet Review when it becomes available in Wales with the proposed measure of success being the completion of a green fleet review of the Council's vehicles and planning guidance amended to account for travel/transport factors.
- 101 We think the Council's proposals could contribute to a reduction in carbon emissions but because the measures of progress are not comprehensive or outcome focused it will prove difficult to demonstrate. In addition, the improvement objective focuses on promoting the need to reduce carbon emissions but it does not set out any proposals on how this will be achieved.
- 102 In terms of comparative performance, the Council was in the second quartile of Welsh Councils on its performance on the percentage reduction in CO<sub>2</sub> emissions in the non-domestic public building stock in 2009-10, recording a score of 4.99 per cent. This was double the Welsh average of 2.2 per cent and an improvement on its 2008-09 performance of 1.6 per cent.

# What should Monmouthshire County Council do?

103 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.

104 The Council needs to consider our proposals to help it improve.

## Proposals we made in our earlier work

- set improvement objectives and update the Corporate Improvement Plan to clearly set the Council's vision and priorities for the future;
- implement systems to support delivery of corporate priorities;
- improve the management of performance;
- ensure plans and services are aligned to support the transformation programme; and
- train and support the Audit Committee so that it can effectively discharge its remit in relation to the Council's statutory responsibility to have arrangements in place to secure continuous improvement in its functions.

## New proposals

The Council should:

- review its Improvement Plan to:
  - define its improvement objectives more clearly;
  - explain what the Council wants to achieve from them;
  - define what success will look like;
  - show how performance compares with others; and
  - show how people of Monmouthshire will be better off as a result.
- set clear priorities for action in the context of reduced resources;
- consult with its full range of stakeholders and provide citizens with appropriate opportunities to influence and shape priorities for improvement in the future;
- ensure the new service plan framework is rolled out in the next 12 months and develop systems to better manage staff performance in delivering priorities; and
- identify minimum service standards for all service areas against which performance can be monitored.

# 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

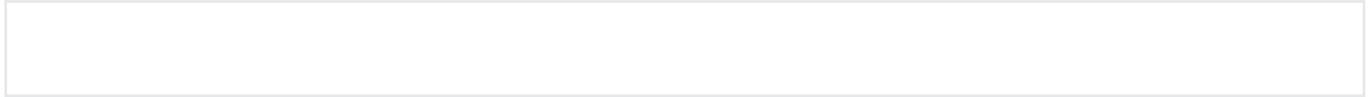
The Local Government (Wales) Measure introduced new responsibilities for the Auditor General, including a responsibility to publish his assessment of each council/authority's arrangements to secure continuous improvement.

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>10</sup>

<sup>10</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 WAO 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 Monmouthshire and Monmouthshire County Council

The Assembly Members for Monmouthshire are:

- Nick Ramsay, Monmouth, Welsh Conservative Party
- John Griffiths, Newport East, Labour Party

The South Wales East Regional Assembly Members are:

- Mohammad Asghar, Welsh Conservative Party
- Jocelyn Davies, Plaid Cymru
- Veronica German, Welsh Liberal Democrats
- William Graham, Welsh Conservative Party

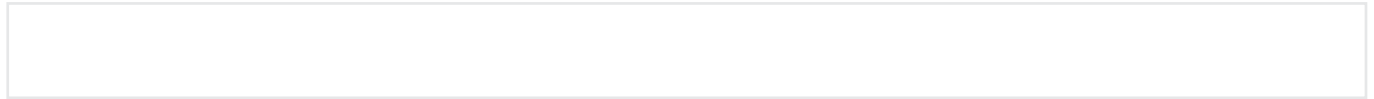
The Members of Parliament for Monmouthshire are:

- David Davies, Monmouth (Conservative)
- Jessica Morden, Newport East (Labour) whose constituency covers the electoral divisions of Caldicot Castle, Dewstow, Green Lane, Mill, Rogiet, Severn, The Elms and West End in Monmouthshire

In 2008-09, the Council's gross revenue spend was £164 million, equating to £1,859 per resident. In that year, the Council also spent £20 million on capital items. The average band D council tax in 2009-10 for Monmouthshire was £1,144.68 per year; this will increase by 3.85 per cent to £1,188.71 per year for 2010-11. Forty-seven per cent of Monmouthshire's housing is in council tax bands A to D.

There are 43 Councillors for Monmouthshire 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:

- 27 Conservatives
- 6 Labour
- 5 Liberal Democrat
- 4 Plaid Cymru/Independent
- 1 Independent



### **Corporate Management Team**

The Council's Chief Executive is Paul Matthews. The Chief Executive is the Head of Paid Service and Principal Policy Adviser to the Council.

The Leadership team is made up of:

- Moyna Wilkinson, Deputy Chief Executive
- Andy Keep, Chief Officer Children and Young People
- Kellie Beirne, Chief Officer Regeneration and Culture
- Simon Burch, Chief Officer, Social Care and Health
- Joy Robson, Head of Finance
- Farooq Dastgir, Head of Transformation

The Council is required by the Assembly Government to make plans to improve its functions and the services it provides. Each year it must publish these plans along with specific 'improvement objectives' that set out the key things that the Council intends to do to improve. The Council must do this as soon as possible after 1 April each year.

For more information, see the Council's own website at [www.monmouthshire.gov.uk](http://www.monmouthshire.gov.uk) or contact the Council at: Monmouthshire County Council, County Hall, Cwmbran, NP44 2XH.

# Appendix 3

## The Auditor General's Corporate Assessment

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

**Monmouthshire County Council is developing an ambitious approach to secure improvements for its communities in a challenging financial climate. It will need clear, consistent leadership and management to ensure that it delivers the anticipated benefits.**

### How the Council has approached improvement over time

The previous approach to improvement was not consistently applied across the organisation or linked to delivering clear corporate priorities but a new approach is being developed.

In the past, although the Council has provided generally good services, it has not consistently challenged established ways of working.

The Council has started to develop a much needed major internal change programme with potential for realising savings and improvement.

Positive outcomes for citizens of this ambitious programme will depend on how well the Council leads and manages its transformation agenda.

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

Under clear leadership, the Council's ambitious transformation programme is evolving quickly and the Council recognises the need to strengthen supporting arrangements and align them with priorities.

Fresh leadership is playing a significant role in developing new approaches to quickly transform the Council.

Partnership working and financial management systems are positively supporting improvement and are being integrated within a transformation programme, although there is further work to do.

There are good examples of decision making, managing and planning, supporting improvements within services. The Council needs to demonstrate consistently that these lead to improvements for its residents.

Further work is necessary to ensure that the transformation programme is more widely owned within the organisation and to ensure that it is consistently supported by effective arrangements for workforce planning, performance and asset management.

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

## Annual Audit Letter to the Members of Monmouthshire County Council

The Local Government Measure 2009 has provided the Wales Audit Office with an opportunity to rethink 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 standalone 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.

**Monmouthshire County Council complied with financial and performance improvement reporting requirements but is facing significant financial pressures in the near future and needs to address a number of accounting issues and address weaknesses in housing benefits**

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 accounts.

On 30 September 2010 I issued an unqualified audit opinion on the accounting statements, confirming that they present a true and fair view of the Council's financial transactions. My report is contained within the Statement of Accounts.



The following issues were identified during the accounts audit:

- the Council's accounts closedown processes were generally effective, although a number of adjustments were made as part of the audit and further improvements are still required in terms of accounting for fixed assets;
- revised accounting requirements for PFI were correctly implemented, although further work is now needed to progress the implementation of IFRS in 2010-11;
- the Council's Statement on Internal Control appropriately identifies the weaknesses in its internal controls and work is now needed to develop the annual governance statement for the current year; and
- the Whole of Government Account's return was prepared effectively and in accordance with the Assembly's timetable.

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 are set out in the Annual Improvement Report. In addition, I also bring the following issues to your attention:

- Effective budgetary control arrangements are in place and medium-term financial planning is well developed, but the Council faces significant financial pressures in the future, both in terms of revenue and capital financing. This is referred to further in the Annual Improvement Report.
- The Council's general grant management arrangements have continued to improve during 2009-10 but there are still significant risks associated with the administration of the Housing Benefit and Council Tax Subsidy Grant Claim.

The Council's Improvement Plan 2010 11 meets statutory requirements and provides a balanced view of its performance in 2009 10.

I issued a certificate confirming that the audit of the accounts has been completed on 30 September 2010.

The financial audit fee for 2009 10 is currently expected to be in line with that set out in the Financial Audit Strategy.

Anthony Barrett  
Appointed Auditor  
November 2010

# Appendix 5

## Monmouthshire County Council's improvement objectives

The Council published its improvement objectives in its Community Plan which can be found on the Council website at [www.monmouthshire.gov.uk](http://www.monmouthshire.gov.uk). They are:

- We will reduce the impact of alcohol related violence, crime and anti-social behaviour across all communities in Monmouthshire.
- We will bring together health, social care and independent sector agencies in a single model of community based services as part of the Gwent Frailty Project.
- We will improve the range and quality of services for vulnerable people and their carers.
- We will explore housing quality to meet the needs of older people.
- We will develop the Flying Start provision in Over Monnow and north Abergavenny the same level of service is offered to both communities.
- We will introduce the School Effectiveness Framework and reform the way we provide education. We will do this to raise standards of education, improve key skills in literacy and numeracy and address the impact of poverty on educational performance.
- We will encourage development of a more diverse, robust and prosperous local economy and will devise an employment generation strategy.
- We will work in collaboration with our partners to progress Project Gwyrdd to develop sustainable alternatives to landfill.
- We will promote the reduction of carbon emissions from Council buildings and will work with others to reduce emission in the wider community.

# 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