

Meeting of:	<b>Audit Committee</b>
Date of Meeting:	<b>Monday, 16 December 2019</b>
Relevant Scrutiny Committee:	All Scrutiny Committees
Report Title:	Auditor General for Wales: Vale of Glamorgan Annual Improvement Report 2018/19
Purpose of Report:	To advise Members of the results of the assessment by the Auditor General for Wales of the Council's arrangements to secure continuous improvement.
Report Owner:	Councillor Neil Moore, Leader and Cabinet Member for Performance & Resources
Responsible Officer:	Rob Thomas , Managing Director
Elected Member and Officer Consultation:	The Vale of Glamorgan Annual Improvement Report for 2018/19 was considered by Cabinet on 9 <sup>th</sup> September and thereafter by all elected members via Full Council on 9 <sup>th</sup> September 2019 incorporated as part of the Council's annual review of performance in the Vale of Glamorgan Annual Report (Improvement Plan Part 2) for 2018/19.
Policy Framework:	This is a matter for Executive decision by Cabinet.
<p>Executive Summary:</p> <ul style="list-style-type: none"> <li>• The report presents the Vale of Glamorgan Annual Improvement Report (AIR), which summarises the findings of the Auditor General Wales's audit, regulatory and inspection work programme undertaken in the Council during the period 2018 to 2019. The AIR brings together the key findings from all audit work undertaken in the Council during 2018-19 including those of other inspection and regulatory bodies such as Estyn (Her Majesty's inspectorate for schools in Wales) and Care Inspectorate Wales (CIW).</li> <li>• The report findings were generally positive and concluded that overall, the Council is meeting its statutory requirements in relation to continuous improvement.</li> <li>• Whilst no formal recommendations were made by the Auditor General, 7 Proposals for Improvement were made in relation to specific local reviews on our corporate arrangements for the safeguarding of children, the Welsh Housing Quality Standard (including tenants' views), and a further 14 areas for development in relation to CIW's inspection of Children's Services. Progress against these will be monitored by the Wales Audit Office throughout 2019-20 as part of the Annual Regulatory Plan. These Proposals for Improvement/ Areas of Development have been</li> </ul>	

incorporated within the Council's Insight Tracker and will be monitored by the Insight Board and reported to Scrutiny Committees and the Audit Committee as work to address them progresses.

- The AIR was considered by Cabinet and all members as part of the Council's annual review of performance for 2018/19 (Cabinet minute: C83 and Full Council minute 267, 9<sup>th</sup> September 2019) and the report's findings were endorsed. An excerpt from Council's Annual Report (Improvement Plan Part 2 ) which summaries the report is contained within the background papers for this report.
- The report seeks Audit Committee's consideration of the Auditor General Wales' findings as outlined in Vale of Glamorgan Annual Improvement Report 2018/19 and note the comments of Cabinet on the report.

## Recommendations

1. That Members note the content of this report.
2. That Members note the comments of Cabinet in relation to the AIR (minute C83, 9<sup>th</sup> September 2019).

## Reasons for Recommendations

1. To apprise Members of the Auditor General's report findings in relation to the audit, regulatory and inspection work undertaken in the Council during 2018-19.
2. To provide for scrutiny and review of the Auditor General's Annual Improvement Report in line with the remit of the Audit Committee.

## 1. Background

- 1.1 In line with the requirements of the Local Government (Wales) Measure 2009, the Auditor General Wales is required to produce an annual report on Welsh councils and other public bodies entitled, the 'Annual Improvement Report (AIR)' which summaries the audit work undertaken during the period 2018 to 2019. The report brings together the key findings from all audit work undertaken in the Council during 2018-19 including those of other inspection and regulatory bodies such as Estyn (Her Majesty's inspectorate for schools in Wales) and Care Inspectorate Wales (CIW).

## 2. Key Issues for Consideration

- 2.1 The Vale of Glamorgan Annual Improvement Report (AIR) 2018/19 is attached at **Appendix A** and can also be viewed via the following link: [Vale of Glamorgan Annual Improvement Report.](#)
- 2.2 The AIR was considered by Cabinet and all elected members as part of the Council's annual review of performance for 2018/19 (Cabinet minute: C83 and Full Council minute 267, 9<sup>th</sup> September 2019). An excerpt from Council's Annual Report (Improvement Plan Part 2 ) which summaries the report is contained within the background papers for this report.
- 2.3 The Wales Audit Office (WAO) report findings were generally positive and concluded that overall, the Council is meeting its statutory requirements in relation to continuous improvement. Whilst no formal recommendations were made by the Auditor General, 7 Proposals for Improvement were made in relation to specific local reviews on our corporate arrangements for the safeguarding of children, the Welsh Housing Quality Standard (including tenants' views), and a further 14 areas for development in relation to CIW's inspection of Children's Services. Progress against these will be monitored by the Wales Audit office throughout 2019-20 as part of the Annual Regulatory Plan.

- 2.4 These proposals for Improvement/ areas of development, have been incorporated within the Council's Insight Tracker and will be monitored by the Insight Board and reported to Members as work to address them progresses.
- 2.5 In line with the Council's performance monitoring arrangements, Members of this Committee will continue to be informed of progress against all regulatory recommendations and improvement proposals via a 6 monthly (half-year) update report (next due in February 2020). Progress against our recommendations/ proposals for improvement will be monitored by the Council's Insight Board and reported to Scrutiny Committees prior to reporting to the Audit Committee for final oversight.
- 2.6 It is recommended that the Audit Committee considers the content of the AIR and notes Cabinet's endorsement of its contents (Cabinet minute C83 and Full Council (minute 267); 9<sup>th</sup> September 2019).

### **3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?**

- 3.1 The Corporate Plan 2016-20 reflects the requirements of the Well-being of Future Generations (Wales) Act 2015 and identifies 4 Well-being Outcomes and 8 Objectives for the Council. These promote improvements in the economic, social and cultural well-being of residents in the Vale of Glamorgan which in turn will contribute to achieving the Well-being goals for Wales. By aligning our Well-being Outcomes in the Corporate Plan with the Well-being Goals of the Act, this will enable us to better evidence our contribution to the Goals.
- 3.2 Reviewing and reporting our performance is an important vehicle for showing our progress, not only in terms of impacts across the national well-being goals through achievement of our well-being objectives but also in terms of the changes and improvements made in our approach to integrated planning.
- 3.3 The five ways of working are a key consideration in our Corporate Performance Management Framework ensuring that we continue to focus on working differently and in an inclusive way to challenge why, what and how we respond to our key performance challenges to meet our Well-being Objectives and contribute to the national goals.

### **4. Resources and Legal Considerations**

#### **Financial**

- 4.1 Audit and inspection fees for the Council are met from existing budgets.
- 4.2 There are no additional budgetary implications arising from this report, although underperformance in some areas may have a negative impact on external assessments of the Council and could put certain funding opportunities at risk.

## **Employment**

**4.3** There are no direct workforce related implications associated with this report.

## **Legal (Including Equalities)**

**4.4** The Auditor General for Wales has a duty under sections 15, 17, 18, 19 and 24 of the Local Government (Wales) Measure 2009 to assess and report the outputs from corporate and improvement Assessments of all improvement authorities in Wales.

**4.5** The Local Government (Wales) Measure 2009 requires that the Council secure continuous improvement across the full range of local services for which it is responsible.

**4.6** The Well-being of Future Generations (Wales) Act 2015 requires the Council to set Well-being Objectives by April each year that maximise its contribution to achieving the Well-being goals for Wales and report its progress annually

## **5. Background Papers**

[Vale of Glamorgan Annual Report 2018-19 Excerpt: What our Regulators said about us](#)



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

# Annual Improvement Report

## Vale of Glamorgan Council

Issued: August 2019

Document reference: 1470A2019-20



This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by Ian Phillips and Sara-Jane Byrne under the direction of Huw Rees.

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The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office Board, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the National Assembly.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies and assesses compliance with the requirements of the Local Government (Wales) Measure 2009.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Assembly Commission and National Health Service bodies in Wales.

The Auditor General and staff of the Wales Audit Office aim to provide public-focused and proportionate reporting on the stewardship of public resources and in the process provide insight and promote improvement.

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

This document is also available in Welsh.

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# Summary report

## 2018-19 performance audit work

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

## The Council is meeting its statutory requirements in relation to continuous improvement

- 3 Based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Council is likely to comply with the requirements of the Local Government Measure (2009) during 2019-20.

## Recommendations and proposals for improvement

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

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

## Audit, regulatory and inspection work reported during 2018-19

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

Description of the work carried out since the last AIR, including that of the relevant regulators, where relevant.

Issue date	Brief description	Conclusions	Proposals for improvement
January 2019	<p><b>Assurance and Risk Assessment</b> Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council:</p> <ul style="list-style-type: none"> <li>• putting in place proper arrangements to secure value for money in the use of resources;</li> <li>• putting in place arrangements to secure continuous improvement; and</li> <li>• acting in accordance with the sustainable development principle in setting wellbeing objectives and taking steps to meet them.</li> </ul>	<p><b>Arising from this project we identified the following topics for inclusion in our audit programme at the Council for 2019-20:</b></p> <ul style="list-style-type: none"> <li>• Well-being of Future Generations Act – examination of the extent to which the Council is acting in accordance with the sustainable development principle when taking steps to meet its well-being objectives that are relevant to the delivery of leisure services.</li> <li>• Financial sustainability – project common to all local councils that will assess financial sustainability in light of current and anticipated future challenges.</li> <li>• Reshaping Services – project to evaluate the arrangements that the Council has in place for delivering its Reshaping Services programme.</li> <li>• Waste/recycling – project to assess the Council's arrangements to improve recycling</li> </ul>	Not applicable.

Issue date	Brief description	Conclusions	Proposals for improvement
		<p>performance given the challenging statutory targets.</p> <ul style="list-style-type: none"> <li>Assurance and Risk – project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources.</li> </ul>	
July 2019	<p><b>Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations</b></p> <p>Examination of the extent to which the Council has acted in accordance with the sustainable development principle when implementing the programme of regeneration at Barry and Barry Island, a 'step' the Council is taking to meet its wellbeing objectives.</p> <p><a href="#">Copy of the Auditor General's report</a></p>	<p>The Well-being of Future Generations Act requires significant change to fully embed the five ways of working and it will take time to do this. We recognise the Council can demonstrate that it has acted in the spirit of the WFG Act in its approach to regeneration in Barry.</p> <p>However, there is scope for the Council to do more to embed the five ways of working, clarify its vision and strategic approach, and integrate its plans with those of partner organisations in its regeneration of Barry.</p> <ul style="list-style-type: none"> <li>The Council has considered short, medium and long term needs in developing its approach to regeneration of Barry and now needs to ensure the longer term sustainability of this approach;</li> </ul>	<p>We did not make any proposals for improvement in the Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations report but did highlight some areas of development which the Council plans to act on. These are detailed in our full report.</p>

Issue date	Brief description	Conclusions	Proposals for improvement
		<ul style="list-style-type: none"> <li>• The Council is undertaking many preventative activities, but there is scope to better consider the root causes of problems and the preventative benefits of the step;</li> <li>• The Council has started to take an integrated approach but needs to consider more fully how this step contributes to its and others' well-being objectives to maximise the benefits the step could deliver;</li> <li>• The Council has a track record of effective collaboration, but there is scope to develop a collective vision for the area with partners and stakeholders based on data and trend analysis; and</li> <li>• The Council can show a number of strengths in its approach to involving partners and other stakeholders, but it is not clear how the full diversity of the community is involved</li> </ul>	
November 2018	<p><b>Annual audit letter 2017-18</b> Letter summarising the key messages arising from the Auditor General's statutory responsibilities under the Public Audit (Wales) Act 2004 and his reporting responsibilities under the Code of Audit Practice. The Annual Audit Letter is in <a href="#">Appendix 2</a> of this report.</p>	<ul style="list-style-type: none"> <li>• The Council complied with its responsibilities relating to financial reporting and use of resources;</li> <li>• We are satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources;</li> <li>• Our work to date on certification of grant claims and returns has not identified significant issues that would impact on the</li> </ul>	None

Issue date	Brief description	Conclusions	Proposals for improvement
		2017-18 accounts or key financial systems; and <ul style="list-style-type: none"> <li>• The Council has a track record of managing its finances, but the financial challenge will continue over the medium term.</li> </ul>	
<b>Local risk-based performance audit</b>			
May 2019	<p><b>Follow-up review of corporate arrangements for the safeguarding of children</b></p> <p>Review of the effectiveness of corporate safeguarding arrangements building on the study previously undertaken by the Auditor General in this area.</p> <p><u><a href="#">Copy of the Auditor General's report</a></u></p>	<p>The Council has implemented most of our previous recommendations and proposals for improvement, but some matters need further attention. We have identified some further proposals for improvement to strengthen aspects of the Council's safeguarding arrangements.</p>	<p>P1 Strengthen the Corporate Safeguarding Policy in the following ways:</p> <ul style="list-style-type: none"> <li>• Clarify the safeguarding roles and responsibilities of the Cabinet Member for Social Care, Health and Leisure and the Member Champion for Safeguarding;</li> <li>• Set out the role of scrutiny in the Council's safeguarding arrangements;</li> <li>• Provide information on topics that have safeguarding implications such as modern day slavery, trafficking, child sexual exploitation, counter terrorism and the risk of radicalisation, the Violence Against Women, Domestic</li> </ul>

Issue date	Brief description	Conclusions	Proposals for improvement
			<p data-bbox="1559 435 1890 531">Abuse and Sexual Violence (Wales) Act 2015 and self-harm.</p> <p data-bbox="1406 547 1899 715">P2 The Council should strengthen its contractual provisions in relation to the safeguarding training requirements of third parties, to include:</p> <ul data-bbox="1485 730 1899 1042" style="list-style-type: none"> <li data-bbox="1485 730 1899 826">• Specifying that safeguarding training is mandatory where applicable; and</li> <li data-bbox="1485 842 1899 1042">• Amending its main agency candidate checks form so that it does not just specify that safeguarding training is mandatory only for Social Care Night Workers</li> </ul> <p data-bbox="1406 1058 1899 1153">P3 The Council should improve its approach to safeguarding training in the following ways:</p> <ul data-bbox="1485 1169 1899 1337" style="list-style-type: none"> <li data-bbox="1485 1169 1899 1337">• Take steps to ensure that the mandatory completion of Violence Against Women, Domestic Abuse and Sexual Violence (Wales) Act 2015</li> </ul>

Issue date	Brief description	Conclusions	Proposals for improvement
			<p>(VAWDASV) training is accelerated;</p> <ul style="list-style-type: none"> <li>• Clarify when mandatory safeguarding training needs to be refreshed;</li> <li>• Accelerate the rate of compliance with the completion of its mandatory safeguarding training;</li> <li>• Consider ways in which it could extend its safeguarding training offer, for example to taxi drivers and to those working in the night time economy.</li> </ul> <p>P4 The Council should consider producing further performance measures (for example in respect of safeguarding training compliance) to enhance the annual safeguarding report and aid transparency.</p> <p>P5 The Council should develop a central system for recording and monitoring volunteer information, including any training records and</p>

Issue date	Brief description	Conclusions	Proposals for improvement
			Disclosure and Barring Service checks for volunteers.
October 2018	<p><b>Welsh Housing Quality Standard review including Council housing tenants' perspective review</b></p> <p><a href="#"><u>Copy of the Auditor General's report</u></a></p>	<p><b>The Council has met the Welsh Housing Quality Standard with effective arrangements for tenant engagement, and most tenants are satisfied with the quality of their home.</b> We came to this conclusion because:</p> <ul style="list-style-type: none"> <li>• the Council reported it has met the Welsh Housing Quality Standard and is working with its IT provider to ensure that compliance data is accurate;</li> <li>• arrangements for tenant engagement are effective and the Council is supporting tenants wider needs; and</li> <li>• most tenants we spoke to are satisfied with the quality of their homes and the housing service, but some feel their homes are damp and there is scope to review the telephone system for reporting repairs.</li> </ul>	<p>P1 The Council should evaluate how effective the process is for tenants to report housing repairs via the Customer Contact Centre (Call One Vale)</p> <p>P2 The Council should work with tenants to review its approach to assisting people experiencing problems with condensation and damp.</p>
<b>Improvement planning and reporting</b>			
June 2018	<p><b>Wales Audit Office annual improvement plan audit</b></p> <p>Review of the Council's published plans for delivering on improvement objectives.</p>	The Council has complied with its statutory improvement planning duties.	None

Issue date	Brief description	Conclusions	Proposals for improvement
November 2018	<p><b>Wales Audit Office annual assessment of performance audit</b></p> <p>Review of the Council's published performance assessment.</p>	The Council has complied with its statutory improvement reporting duties.	None
<b>Reviews by inspection and regulation bodies</b>			
<p>Care Inspectorate Wales (CIW)</p> <p>June 2019</p>	<p><b>Local authority annual performance review letter 2018/19</b></p> <p>This letter summarises CIW's evaluation of performance of social services (adults and children's services) during 2018/19. It also sets out how CIW is planning to review performance over the coming year.</p>	<p><u><a href="#">Copy of CIW's annual performance review letter 2018/19</a></u></p>	Not applicable
<p>Care Inspectorate Wales (CIW)</p>	<p><b>Inspection of Children's Services</b></p> <p>The inspection focused on the effectiveness of local authority services and arrangements to help and protect children and their families.</p> <p>Copy of <u><a href="#">CIW report</a></u></p>	<p><b>Overview of findings:</b></p> <ul style="list-style-type: none"> <li>• Motivated front line staff report job satisfaction, good provision of training and good management support at all levels including regular supervision</li> <li>• There is good corporate support for children's services including from elected members. The local authority recognises there is a need to further develop the scrutiny process and members are motivated to do so</li> </ul>	<p><b>Areas for development:</b></p> <p><b>Leadership, management and governance</b></p> <ol style="list-style-type: none"> <li>1. There is a need for further embedding of the principles of the Social Services and Well-being (Wales) Act 2014 (SSWBA) into social work practice</li> <li>2. Senior managers are aware of the priority to reproduce a range of</li> </ol>

Issue date	Brief description	Conclusions	Proposals for improvement
		<ul style="list-style-type: none"> <li>• There is a clear commitment to collaborative working across the different departments within the local authority to provide children's services. In other respects, there is room for improvement in the articulation of the high level vision and ambition for children in the Vale of Glamorgan</li> <li>• The local authority has not implemented a specific model of social work practice within children's services to underpin its key objectives</li> <li>• The local authority over estimates the extent to which its practice adheres to the ethos of the Social Services and Well-being (Wales) Act. Nearly everyone told us staff were working co productively with families. However, we did not find sufficient evidence of the identification of strengths in our review of case files or in interviews with staff and service users. Care and support plans did not sufficiently detail how personal outcomes would be achieved or allow for evaluation of progress</li> <li>• Corporate support, motivated staff and the service development work stream place the local authority in a strong position to further develop its service to children and families</li> <li>• Social work staff knew children's circumstances well and regularly visited.</li> </ul>	<p>performance management information to assist staff and managers to deliver timely and effective services following the implementation of WCCIS</p> <ol style="list-style-type: none"> <li>3. Further work is required to develop a more comprehensive quality assurance system that incorporates specific tasks for managers</li> <li>4. Social work practitioners would benefit from a review of the current operationalization of the electronic recording system and from further training to support its use</li> <li>5. The local authority should continue the prioritisation of filling vacant posts by recruitment exercises and monitoring reasons for leaving</li> </ol> <p><b>Access arrangements: information, advice and assistance</b></p> <ol style="list-style-type: none"> <li>6. A review of referrals where previous contacts or referrals have been received would be beneficial to ensure decision making is appropriately robust</li> </ol> <p><b>Assessment</b></p> <ol style="list-style-type: none"> <li>7. Assessments must take into account all available information from previous contacts and incorporate any risks</li> </ol>

Issue date	Brief description	Conclusions	Proposals for improvement
		<p>However, vacancies and complex caseloads in the Care Management Team (CMT) have affected the service to children and families. Action was already being taken by senior managers to reconfigure teams to redistribute responsibilities to reduce competing demands on social work time</p> <ul style="list-style-type: none"> <li>• Plans did not sufficiently evidence the voice of the child or incorporate risk management. Children looked after were not routinely engaged in their review meetings and Independent Reviewing Officers were not providing sufficient oversight or obtaining the views of children prior to meetings that made decisions about their future</li> <li>• A robust system of multi-agency panels ensures consistent and effective decision making about placements and permanency planning. Legal services provide good support in decision-making and court proceedings. The recording of the rationale for decision making outside of panels was inconsistent</li> <li>• Work is ongoing with a neighbouring authority to increase the number of fostering placements as the authority recognises limited choice of placements is contributing to placement breakdowns. It is also working</li> </ul>	<p>8. Practitioners should explicitly seek the views of children seen alone, where appropriate, and fully outline these in assessments</p> <p><b>Care and support and pathway planning</b></p> <p>9. The local authority will wish to ensure proportionate recording including rationale for decisions and content of visits to children and the incorporation of risk assessment and management plans into care and support plans</p> <p>10. IRO caseloads should be reviewed and IROs should prioritise speaking with children prior to review meetings</p> <p>11. The local authority should ensure relevant children are offered advocates and independent visitors</p> <p>12. Out of area placement panels should be undertaken in compliance with regulations</p> <p><b>Safeguarding</b></p> <p>13. Practice should be developed in co productive working with children and families; considering risks, strengths, barriers and toward agreed outcomes where possible</p>

Issue date	Brief description	Conclusions	Proposals for improvement
		<p>with a provider of residential care in order to place more children closer to home</p> <ul style="list-style-type: none"> <li>• Strong partnership working is improving outcomes for young people. This includes good practice in multi-agency support provided to care leavers and young homeless people. Care leavers were very positive about the help they receive from Personal Advisors</li> <li>• In the safeguarding work we reviewed, children were being protected by prompt response and timely assessments. Work is already underway to review quality of protection plans and to improve the active involvement of families in safeguarding processes</li> <li>• The implementation of the new electronic case management system presents ongoing difficulties for staff and could impact on the availability of information when cases transfer</li> <li>• Quality assurance arrangements require further development and the authority does not currently have reliable performance management information due to changes in the electronic case management system</li> </ul>	<p>14. There should be regular review of safeguarding performance information by the safeguarding unit</p>

# Appendix 1

## Status of this report

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

The annual improvement assessment considers the likelihood that an authority will comply with its duty to make arrangements to secure continuous improvement. The assessment is also the main piece of work that enables the Auditor General to fulfil his duties. Staff of the Wales Audit Office, on behalf of the Auditor General, produce the annual improvement report. The report discharges the Auditor General's duties under section 24 of the Measure, by summarising his audit and assessment work in a published annual improvement report for each authority. The report also discharges his duties under section 19 to issue a report certifying that he has carried out an improvement assessment under section 18 and stating whether (as a result of his improvement plan audit under section 17) he believes that the authority has discharged its improvement planning duties under section 15.

The Auditor General may also, in some circumstances, carry out special inspections (under section 21), which will be reported to the authority and Ministers, and which he may publish (under section 22). An important ancillary activity for the Auditor General is the co-ordination of assessment and regulatory work (required by section 23), which takes into consideration the overall programme of work of all relevant regulators at an improvement authority. The Auditor General may also take account of information shared by relevant regulators (under section 33) in his assessments.

# Appendix 2

## Annual Audit Letter

Mr Rob Thomas  
Managing Director  
Vale of Glamorgan Council  
Civic Offices  
Holton Road  
Barry  
Vale of Glamorgan  
CF63 4RU

**Reference:** 941A2018-19

**Date issued:** 30 November 2018

Dear Rob

## Annual Audit Letter – Vale of Glamorgan Council 2017-18

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

### Vale of Glamorgan Council complied with its responsibilities relating to financial reporting and use of resources

It is the Council's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in their use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This code is based on International Financial Reporting Standards. On 27 September 2018 I issued an unqualified audit opinion on the accounting

statements confirming that they present a true and fair view of the Council's financial position and transactions. My report is contained within the Statement of Accounts. The key matters arising from the accounts audit were reported to members of the Audit Committee in my Audit of Financial Statements report on 19 September 2018, and to Full Council on 26 September 2018.

**I am satisfied that the Council have appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources**

My consideration of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed under the Local Government (Wales) Measure 2009. The Auditor General has highlighted areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made in his Annual Improvement Report published in September 2018 which can be accessed via the [Annual Improvement Report](#)

**I issued a certificate confirming that the audit of the accounts has been completed on 27 September 2018**

**My work to date on certification of grant claims and returns has not identified significant issues that would impact on the 2017-18 accounts or key financial systems**

A more detailed report on my grant certification work will follow in 2019 once this year's programme of certification work is complete.

**The Council has a track record of managing its finances, but the financial challenge will continue over the medium term**

Austerity funding remains the most significant challenge facing local government bodies in Wales and these financial pressures are likely to continue for the medium term. The latest local government funding settlement will see the Council's settlement decrease by 0.5%.

In 2017-18, the Council operated within its budget and increased its usable reserves by £4.4 million. This was achieved despite experiencing a shortfall of £1.017 million in meeting its £4.017 million savings target for the year.

As at 31 March 2018, the Council had closing usable reserves of £92.635 million, including Earmarked Reserves of £69.1 million and a Council Fund balance of £9.6 million.

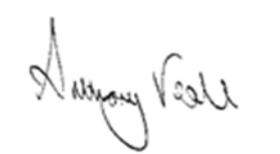
For 2018-19, the Council, as at October 2018, projects that it will report an overspend against its revenue budget of £0.6 million, which will be funded from earmarked reserves and savings which are yet to be identified. It is not anticipated that there will be any further drawdown from the Council Fund for the 2018-19 financial year. The Council is projecting that it will achieve the majority of its 2018-19 savings target – the savings

target for the year was set at £6.298 million and it is projecting that £5.574 million of savings will be achieved.

Within the Council's latest Medium Term Financial Plan (MTFP), the Council projects a revenue shortfall of £15.714 million across the period 2018-19 to 2021-22. It is projected that an element of this shortfall will be funded through savings already identified, but the funding for a significant element of the shortfall (£12.087 million) is yet to be identified. The Council recognises that its ability to bridge the shortfall hinges on the success of its 'Reshaping Services' programme. There is no planned use of council fund balances during the MTFP period, although the Council is planning to use £34.4 million of its Earmarked Reserves on specific planned projects.

The financial audit fee for 2017-18 is currently expected to be in line with the agreed fee set out in the Annual Audit Plan.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Anthony Veale', is enclosed within a thin black rectangular border.

**Anthony Veale**

**For and on behalf of the Auditor General for Wales**

cc Councillor John Thomas, Leader  
Carys Lord, Head of Finance

# Appendix 3

## National report recommendations 2018-19

### Exhibit 2: national report recommendations 2018-19

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

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

Date of report	Title of review	Recommendation
		<p>R2 The Welsh Government's programme support to date has mainly focused on project development and procurement. Now that most of the projects are operational, the focus has shifted to contract management. <b>We recommend that the Welsh Government continue its oversight of projects during the operational phase by:</b></p> <ul style="list-style-type: none"> <li>• <b>building on its existing model of providing experienced individuals to assist with project development and procurement and making sure input is available to assist with contract management if required;</b></li> <li>• <b>setting out its expectations of councils regarding contract management;</b></li> <li>• <b>ensuring partnerships revisit their waste projections and associated risks periodically, for example to reflect updated population projections or economic forecasts; and</b></li> <li>• <b>obtaining from partnerships basic management information on gate fees paid, amount of waste sent to facilities and quality of contractor service.</b></li> </ul>

Date of report	Title of review	Recommendation
November 2018	<a href="#"><u>Local Government Services to Rural Communities</u></a>	<p>R1 Socio economic change, poor infrastructure and shifts in provision of key services and facilities has resulted in the residualisation of communities in rural Wales. <b>We recommend that Welsh Government support public bodies to deliver a more integrated approach to service delivery in rural areas by:</b></p> <ul style="list-style-type: none"> <li>• refreshing rural grant programmes to create sustainable financial structures, with multi-year allocations; and</li> <li>• helping people and businesses make the most of digital connectivity through targeted and more effective business and adult education support programmes.</li> </ul> <p>R2 The role of Public Service Boards is evolving but there are opportunities to articulate a clearer and more ambitious shared vision for rural Wales (see paragraphs 2.2 to 2.9 and 2.28 to 2.31). <b>We recommend that PSB public services partners respond more effectively to the challenges faced by rural communities by:</b></p> <ul style="list-style-type: none"> <li>• assessing the strengths and weaknesses of their different rural communities using the Welsh Governments Rural Proofing Tool and identify and agree the local and strategic actions needed to support community sustainability; and</li> <li>• ensuring the Local Well-Being Plan sets out a more optimistic and ambitious vision for ‘place’ with joint</li> </ul>

Date of report	Title of review	Recommendation
		<p style="text-align: center;"><b>priorities co-produced by partners and with citizens to address agreed challenges.</b></p> <p>R3 To help sustain rural communities, public services need to think differently in the future (see paragraphs 3.1 to 3.12). <b>We recommend councils provide a more effective response to the challenges faced by rural communities by:</b></p> <ul style="list-style-type: none"> <li>• <b>ensuring service commissioners have cost data and qualitative information on the full range of service options available; and</b></li> <li>• <b>using citizens' views on the availability, affordability, accessibility, adequacy and acceptability of council services to shape the delivery and integration of services.</b></li> </ul> <p>R4 To help sustain rural communities, public services need to act differently in the future (see paragraphs 3.1 to 3.12). <b>We recommend councils do more to develop community resilience and self-help by:</b></p> <ul style="list-style-type: none"> <li>• <b>working with relevant bodies such as the Wales Co-operative Centre to support social enterprise and more collaborative business models;</b></li> <li>• <b>providing tailored community outreach for those who face multiple barriers to accessing public services and work;</b></li> <li>• <b>enhancing and recognising the role of town and community councils by capitalising on their local knowledge and supporting them to do more;</b></li> </ul>

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

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

Date of report	Title of review	Recommendation
		<p><b>strategy that not only is it possible to recycle a greater proportion of municipal waste, but how doing so maximises its contribution to achieving its sustainable development objectives.</b></p>
November 2018	<p><b><u>Provision of Local Government Services to Rural Communities: Community Asset Transfer</u></b></p>	<p>R1 Local authorities need to do more to make CATs (Community Asset Transfers) simpler and more appealing, help build the capacity of community and town councils, give them more guidance in raising finance, and look to support other community development models such as social enterprises that support social value and citizen involvement. <b>In addition, we recommend that local authorities monitor and publish CAT numbers and measure the social impact of CATs.</b></p> <p>R2 Local authorities have significant scope to provide better and more visible help and support before, during, and after the community asset transfer process. <b>We conclude that there is considerable scope to improve the business planning, preparation, and aftercare for community asset transfer. We recommend that local authorities:</b></p> <ul style="list-style-type: none"> <li>• <b>identify community assets transfer’s role in establishing community hubs, networks of expertise and clusters of advice and prevention services;</b></li> <li>• <b>work with town and community councils to develop their ability to take on more CATs;</b></li> </ul>

Date of report	Title of review	Recommendation
		<ul style="list-style-type: none"> <li>• identify which assets are suitable to transfer, and clarify what the authority needs to do to enable their transfer;</li> <li>• ensure their CAT policy adequately covers aftercare, long term support, post transfer support, signposting access to finance, and sharing the learning about works well; and</li> <li>• support community-based leadership by developing networks of interest, training and coaching, and encouraging volunteering.</li> </ul>
December 2018	<p><b><u>The maturity of local government in use of data</u></b></p>	<p><b>R1 Part 1 of the report highlights the importance of creating a strong data culture and clear leadership to make better use of data.</b> We recommend that local authorities:</p> <ul style="list-style-type: none"> <li>• have a clear vision that treats data as a key resource;</li> <li>• establish corporate data standards and coding that all services use for their core data;</li> <li>• undertake an audit to determine what data is held by services and identify any duplicated records and information requests; and</li> <li>• create a central integrated customer account as a gateway to services.</li> </ul> <p><b>R2 Part 2 of the report notes that whilst it is important that authorities comply with relevant data protection legislation, they also need to share data with partners to ensure citizens receive efficient and effective services. Whilst these two things are not mutually exclusive,</b></p>

Date of report	Title of review	Recommendation
		<p><b>uncertainty on data protection responsibilities is resulting in some officers not sharing data, even where there is agreement to provide partners with information.</b> We recommend that authorities:</p> <ul style="list-style-type: none"> <li>• provide refresher training to service managers to ensure they know when and what data they can and cannot share; and</li> <li>• review and update data sharing protocols to ensure they support services to deliver their data sharing responsibilities.</li> </ul> <p><b>R3 In Part 3 of our report, we conclude that adequate resources and sufficient capacity are ongoing challenges. However, without upskilling staff to make better use of data, authorities are missing opportunities to improve their efficiency and effectiveness.</b> We recommend that authorities:</p> <ul style="list-style-type: none"> <li>• identify staff who have a role in analysing and managing data to remove duplication and free up resources to build and develop capacity in data usage; and</li> <li>• invest and support the development of staff data analytical, mining and segmentation skills.</li> </ul> <p><b>R4 Part 4 of our report highlights that authorities have more to do to create a data-driven decision-making culture and to unlock the potential of the data they hold.</b> We recommend that local authorities:</p>

Date of report	Title of review	Recommendation
		<ul style="list-style-type: none"> <li>• set data reporting standards to ensure minimum data standards underpin decision making; and</li> <li>• make more open data available.</li> </ul>
March 2019	<p><b><u>Waste Management in Wales - Preventing waste</u></b></p>	<p><b>R1 Increasing the focus on waste prevention to reflect the overall aims of Towards Zero Waste</b></p> <p>Available data on the amount of waste produced suggests mixed progress to deliver the Welsh Government's waste prevention targets. We recommend that the Welsh Government:</p> <ol style="list-style-type: none"> <li>a) revisits the relative priority it gives to recycling and waste prevention as part of its review of Towards Zero Waste;</li> <li>b) sets out clearly the expectations on different organisations and sectors for waste prevention; and</li> <li>c) revisits its overall waste prevention targets and the approach it has taken to monitor them in light of progress to date, examples from other countries and in the context of current projections about waste arising through to 2050.</li> </ol> <p><b>R2 Improving data on commercial, industrial, construction and demolition waste</b></p> <p>The Welsh Government is a partner in initial work to assess the feasibility of developing a new digital solution to track all waste. If this preferred option does not succeed, we recommend that the Welsh Government works with Natural Resources Wales to explore the costs and benefits of other</p>

Date of report	Title of review	Recommendation
		<p>options to improve non-municipal waste data in Wales, including additional powers to require waste data from businesses.</p> <p>R3 <b>Enhancing producer responsibility and using more legal, financial and fiscal levers</b></p> <p>The Welsh Government has opportunities to influence waste prevention through legislation and financial incentives. It can also influence changes at UK level where fiscal matters are not devolved. We recommend that the Welsh Government consider whether provisions to extend producer responsibility and the use of financial powers such as grant conditions, fiscal measures and customer charges and incentives, are needed to promote and to prioritise waste prevention.</p>

Date of report	Title of review	Recommendation
June 2019	<b><u>The effectiveness of local planning authorities in Wales</u></b>	<p>R1 Part 1 of the report sets out the complexities of the planning system showing how challenging it is for local planning authorities to effectively engage with and involve stakeholders in choices and decisions. To improve involvement with stakeholders and ownership of decisions we recommend that:</p> <ul style="list-style-type: none"> <li>• local planning authorities: <ul style="list-style-type: none"> <li>– test current engagement and involvement practices and consider the full range of other options available to ensure involvement activities are fit for purpose;</li> <li>– use ‘Place Plans’ as a vehicle to engage and involve communities and citizens in planning choices and decision making; and</li> <li>– improve transparency and accountability by holding planning meetings at appropriate times, rotating meetings to take place in areas which are subject to proposed development, webcasting meetings and providing opportunities for stakeholders to address committee meetings.</li> </ul> </li> <li>• Welsh Government: <ul style="list-style-type: none"> <li>– review the Development Management Procedure Order 2012 and update the engagement and involvement standards for local planning authorities.</li> </ul> </li> </ul> <p>R2 Part 2 of the report highlights that local planning authorities have been subject to significant reductions in funding and</p>

Date of report	Title of review	Recommendation
		<p>struggle to deliver their statutory responsibilities. To improve resilience, we recommend that local planning authorities:</p> <ul style="list-style-type: none"> <li>• review their building control fee regimes to ensure the levels set, better reflect the actual cost of providing these services and make the service self-funding; and</li> <li>• improve capacity by working regionally to: <ul style="list-style-type: none"> <li>– integrate services to address specialism gaps;</li> <li>– develop joint supplementary planning guidance; and</li> <li>– develop future local development plans regionally and in partnership with other local planning authorities.</li> </ul> </li> </ul> <p>R3 Part 2 of the report highlights that the cost of development control services is not reflected in the charges set for these services and progress in developing regional responses to strengthen resilience has been slow. We recommend that the Welsh Government:</p> <ul style="list-style-type: none"> <li>• reviews development control fees to ensure the levels set, better reflect the actual cost of providing these services; and</li> <li>• consider how to use the powers in the Planning (Wales) Act to support and improve local planning authority capacity and resilience.</li> </ul> <p>R4 Part 3 of the report summarises the effectiveness and impact of local planning authorities decision making and how well they are performing against national measures. We</p>

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



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