

Local authorities in Wales showing signs of improvement, says independent watchdog in first all Wales Report

The Audit Commission in Wales today publishes the Report of its Director-General on the first year of the Wales Programme for Improvement. The results for 2003/4 come just two months before the local government elections, and show that the Programme is starting to drive change and improvement and that many local authorities are committed to identifying and 'owning' the problems they face, and to finding effective solutions.

Clive Grace, Director-General of the Audit Commission in Wales said:

“This first report presents, overall, an encouraging picture. But, there is some way to go if local authorities are to make real improvements to the quality of life in their areas. A greater focus is needed on the significant corporate risks which some councils face and on the actions that will do most to improve services quickly. Some authorities have yet to develop effective performance measurement frameworks, whilst some need to introduce mechanisms for reporting performance and progress against action plans. A distinct policy agenda in Wales which does not rely on published categories of achievement, league tables or ‘naming and shaming’ has placed greater responsibility on local government itself to change and improve the services it provides. The Wales Programme for Improvement is proving to be an essential component in driving that improvement.”

The report identifies two overriding issues which must be tackled if local authorities are to further improve. Firstly, in many councils there is a need for good leadership, at political, corporate and community levels. The report says that good leadership with a 'will do, can do' attitude is fundamental to success. Political leadership and corporate governance lie at the heart of public service success or failure. Secondly, the report highlights the fact that a shortage of some types of staff and expertise within the local government workforce has meant that some council services are under-performing. Local authorities also need to work in partnership to provide services on a more cost effective and efficient basis.

The report also examines service area performance across Wales and concludes:

Education

The overall trend and rate of improvement is very good in Wales. One of the key priorities is to focus on improving the performance of some individual schools which are under achieving.

Social Services

The overall results of the joint review inspections have been disappointing although there are some notable exceptions, and there has been significant progress in some authorities where joint reviews revealed major problems. Lack of capable management arrangements and a shortage of skilled social workers have been significant contributory factors for this situation in most cases.

Housing

There are concerns about the extent of backlog maintenance. Again, there is a lack of capable management arrangements.

Waste management

There has been a significant increase in the percentage of waste recycled during the year to March 2003. However, even at the current improved level, many authorities could struggle to reach the Welsh Assembly Government's target of 25% by 31 March 2007.

Regeneration

This is a key issue for Wales generally and identified as a significant risk by most authorities. The effectiveness of partnerships with other agencies (e.g. WDA) is important.

Asset management

Many authorities are struggling to produce effective asset management plans (AMPs) which will make better use of their assets and adequately protect their infrastructure. Lack of scope for investment and lack of capable management arrangements are significant contributory factors as is the sheer scale of the work required arising from a long period of under investment.

Infrastructure maintenance (buildings, highways, vehicles, grounds)

This area has been overlooked in many authorities. A high proportion of these services in Wales are provided by authorities directly. However, generally there is a lack of adequate performance information to enable their overall performance to be assessed.

Central services (finance, legal, ICT)

Generally this area was characterised by a lack of adequate performance information. Many front line services remain concerned about the levels of central service recharges and an apparent lack of transparency.

Recommendations for local authorities made in the report include:

- Authorities need to translate analysis and assessment into actions which will result in improvement;
- Authorities need to actively consider how national, regional and local partnership delivery arrangements should be extended to achieve better efficiency and value for money;
- They also need to continue to strengthen their performance information and performance management arrangements;

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Notes to Editors

In April 2002 the Welsh Assembly Government introduced new guidance to local authorities in Wales under the Local Government Act 1999. The guidance introduced the WPI as the framework for improving local public services in Wales.

Whole Authority Analysis: The WPI has at its core the requirement for local authorities to be responsible for undertaking a Whole Authority Analysis, and reporting the key findings of this analysis in their Improvement Plan. Whilst the Whole Authority Analysis is led by the local authority, it must include external and independent perspectives.

Risk assessment: The statutory guidance states that the Whole Authority Analysis will lead to a risk assessment. This assessment will form the basis for the local authority's Improvement Plan and the complementary Regulatory Plan. When the local authority has completed its Whole Authority Analysis, the Audit Commission will convene a meeting of regulators to consider the results of the analysis and to formulate initial impressions on risks. The meeting will involve external auditors, Audit Commission inspectors, Estyn, the Social Services Inspectorate (Wales) and, where appropriate, the Benefit Fraud Inspectorate.

The Regulatory Plan

The statutory guidance states that the Commission is responsible for co-ordinating an annual Regulatory Plan that takes account of the Whole Authority Analysis and risk assessment (and in subsequent years, the updated risk assessment), in full consultation with the local authority. When the risk assessment has been completed the authority will confirm its improvement work programme, which will form part of its Improvement Plan. The Commission will then

prepare the complementary Regulatory Plan in conjunction with the other regulators and in consultation with the authority.

The Improvement Plan

The Improvement Plan will be audited by the authority's external auditor. The audit will examine whether the Improvement Plan complies with the requirements set out in the statutory guidance. It will also test the accuracy and validity of the performance information included in the Plan and the effectiveness of the performance management arrangements that support the Plan.

The Audit Commission in Wales

The Audit Commission is an independent body responsible for ensuring that public money is spent economically, efficiently and effectively, to achieve high-quality local and national services for the public. Our work covers local government, housing, health and criminal justice services.

As an independent watchdog, we provide important information on the quality of public services. As a driving force for improvement in those services, we provide practical recommendations and spread best practice. As an independent auditor, we monitor spending to ensure public services are good value for money. From 1 April 2005 the Audit Commission in Wales is almost certainly due to merge with the functions of the National Audit Office in Wales to form the Wales Audit Office. Further details about the Commission can be obtained from its web site - <http://www.audit-commission.gov.uk>

For further information please contact Susan Morgan or Catherine Binnie on 029 2026 2696/2679