



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

Annual Improvement Report

Bridgend County Borough

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 Bridgend County Borough 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 or writing to us at 24, Cathedral Road, Cardiff CF11 9LJ.

The Wales Audit Office study team that assisted in preparing this report comprised Rod Alcott and Jeremy Evans 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, or see website www.wao.gov.uk.

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What kind of area is Bridgend?

- 1 The information in paragraphs 2 to 5 illustrates the context within which Bridgend County Borough Council (the Council) is operating. It includes information on issues that are outside the scope of the Council and as such is not a commentary on the Council's performance.
- 2 Bridgend County Borough has a geographic area of 246 square kilometres and is the sixth smallest local authority area in Wales. It is a county that links the coastal areas in the south to the Llynfi, Ogmore and Garw valleys in the north. The main towns are Bridgend, Maesteg and Porthcawl.
- 3 With a base in manufacturing and retail Bridgend is well served by both road and rail links. In 2009 the employment rate was 66.2 per cent marginally below the Welsh average. Just under 43,000 people are employed in the service industries (public administration, education, health, distribution, hotels and restaurants) representing over half of the employed people in the county. Three times as many people were employed in manufacturing as construction, although the largest percentage of VAT registered businesses in Bridgend in 2008 were in construction (16 per cent) with retail second (11 per cent).
- 4 In 2009 the population of the borough was around 134,200, making Bridgend the ninth largest council in Wales. From 2006 to 2021 it is expected that the population will grow by 12,000, an increase of 9.1 per cent.
- 5 The percentage of people who spoke Welsh in Bridgend in 2008 was 16.6 per cent: one of the lowest rates amongst Welsh local authorities.
- 6 You can find more information about the Council and the area in [Appendix 2](#).

geographic area
246 km²
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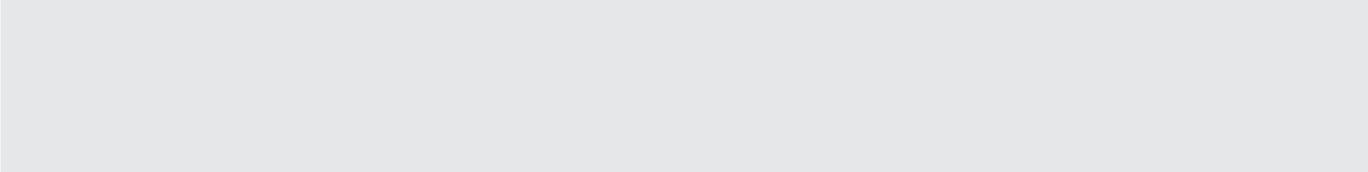
population
134,200
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welsh speakers
16.6%
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Is Bridgend County Borough Council well managed?

- 7 In June of this year the Auditor General produced a Preliminary Corporate Assessment Report that gives quite some detail on how the Council is organised and managed. Our findings are set out in [Appendix 3](#). If you want to read the whole report you can find it on the Council's website or on the Wales Audit Office's website at www.wao.gov.uk.
- 8 The overall conclusion of that report was that the Council is improving in a number of areas. It has particular strengths in the way political and managerial leaders have worked together to tackle some longstanding issues, the way it plans its services, the way it works with other organisations, some of the ways it manages people and the way it manages its money.
- 9 While progress is being made there are still challenges ahead. In the face of impending spending cuts the Council will need to make tough and timely decisions on the use of resources. A history of prudent financial management allied to the improvements already made means that while the challenges are not to be underestimated the Council is now better placed to meet them and secure future improvement.
- 10 When we produced our report in July 2010 we identified a number of areas for improvement which are summarised in the table on page 20. The Council has responded positively to our proposals and since July progress includes:
 - The Council has reviewed its business planning arrangements to ensure that business planning and the Medium Term Financial Strategy are aligned.
 - The Council is preparing a three-year budget. In future business plans must reflect how service delivery will be maintained and how spending reductions will be delivered.
 - The Council is exploring the benefits offered by asset management software and asset reviews are being undertaken geographically to help identify assets for disposal and ensure efficient use of those remaining.
 - The Council has developed outcome measures for the Community Strategy and also plans to review its current performance indicators, using the results based accountability approach.
 - Work is underway to ensure that the corporate performance appraisal process is implemented throughout the organisation.
 - A workforce plan will be developed by March 2011.
 - The Terms of Reference of the Scrutiny and Audit Committees have been revised to ensure that roles and responsibilities are understood. The Audit Committee has risk management at the core of its work and all strategic organisational risks that have a 'performance' aspect are reviewed within the work programmes of the five scrutiny committees.
- 11 The auditor appointed by the Auditor General recently confirmed that the Council's financial statements gave a true and fair view of the financial transactions and that the Council had proper arrangements in place to secure value for money. Their Annual Audit Letter, which provides information regarding the accounts, use of resources and the Council's Improvement Plan is included in this report as [Appendix 4](#).

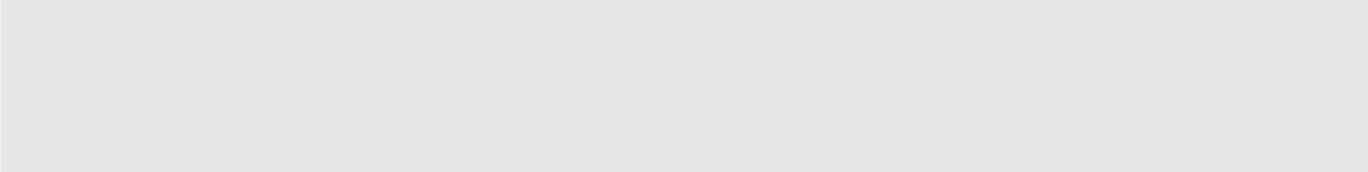
- 12 Since we carried out fieldwork for the Corporate Assessment, the financial pressures have grown on the public sector with, almost all public services facing reductions in funding. Revenue funding is the money that councils spend running and managing their services. The Council will see a provisional reduction of around £2.2 million (1.4 per cent) in the revenue funding it gets from the Assembly Government for 2011-12. This rises to £3.4 million if transfers of specific grants into general revenue support grant are taken into account. Once inflation is factored in, that means a real terms cut of around £7.6 million (3.3 per cent) when compared to 2010-11.
- 13 The Council set a net revenue budget of £223.3 million in 2009-10 and achieved a net expenditure for the year of £224.8 million, a deficit of £1.5 million. In 2010-11 the budget is £232.5 million.
- 14 Capital funding is the money that councils spend on infrastructure, for example new buildings and new equipment. The capital funding available to the Council is set to reduce considerably. Because councils make bids for capital funding, it is not possible to be entirely clear about how much each Council will get. The total sum of capital available to councils across Wales will fall by 14 per cent in 2011-12 (a real terms cut of 18.5 per cent).
- 15 General Capital Funding spending approvals to be made available to the Council in 2011-12 will be reduced to £7.7 million from £9.7 million received in 2010-11, a cash reduction of 21 per cent. This excludes spending funded from specific capital grants controlled by the Assembly Government. 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 be around 34 per cent (around 40 per cent in real terms) between 2010-11 and 2013-14.
- 16 The Council continues to develop and refine its approach to medium term financial planning. Over the summer and early autumn the Council has undertaken further work to assess its likely revenue resource requirements in the future.
- 17 The Council has a history of prudent financial management, which should mean that it is better placed to meet future financial challenges. In its Corporate Plan, the Council reported making savings or doing things more efficiently that amount to £8.8million up to March 2009, and a further £1.4million is forecast by March 2010, which is four per cent of its budget of £223 million. This places the Council on a sound footing going forward into a period of significant change and financial cuts as it has a track record of making sure its services are delivered with the resources it has available.
- 18 However, given the current pressure on public funding, the Council is aware that it needs potentially to scale back on what it is doing, and make sure it uses the resources it has as effectively as possible. By June 2010, it had therefore adopted a major process to create a Medium Term Financial Plan (MTFP), which has links to the Efficiency and Innovation strategy and will describe how the Council is going to implement the savings it needs to make.
- 19 In order to produce the MTFP, the Council prepared an indication of the potential level of budget reductions which might be required to be found by the Council over the three-year MTFP period. This assumes a three per cent cash reduction in revenue support grant and an assumed increase in council tax, and equates to potential reductions required of £22.4 million over the three years of the plan.

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- 20 Given the uncertainty in funding from the Assembly Government, in order to produce the three-year plan and progress towards the implementation of the MTFP, directorates were asked to submit target budget reductions which would equate to six per cent for 2011-12 and five per cent for the following two years on net base budgets for 2010. In addition, officers have been told that budget reduction proposals have to be sufficient to absorb any growth or spending pressures, which also includes any indicative growth requirements identified in the 2010-11 budget setting process.
- 21 The preparation of the MTFP is being approached under three broad headings:
- Strategic Direction: Seeking to protect front-line services from the impact of significant budget reductions by strategic changes in the way services are to be provided. This would involve further development of strategic partnerships, collaboration and service integration.
 - Efficiency and Innovation Programme: The Bridgend Efficiency and Innovation Programme will focus on how services can be delivered by working in more creative and efficient ways.
 - Other savings: This includes a number of areas such as the improved utilisation of the workforce, adopting 'lean thinking' processes, and rationalising properties.
- 22 The Council therefore continues to make progress towards the implementation of its MTFP although this is not yet complete. Directorates have submitted draft proposals to meet the savings requirements. The draft proposals are linked to the strategic objectives by directorate, and also give an impact assessment and an estimate of savings over the three years of the plan. Officers are still in the process of reviewing the savings proposals for realism, sufficiency and feasibility. A draft budget went to Cabinet on 30 November, with further review then planned prior to the final budget going to Cabinet on 25 January 2011.

Does Bridgend County Borough Council know what it needs to do to improve?

- 23 The Assembly Government requires all councils to publish their plans for improving what they do and how they do it. They must also publish a list of the main priorities that they are aiming to improve each year – their improvement objectives. For 2010-2013 the Council has decided to concentrate on 11 objectives, which are set out below:
- to build safe and inclusive communities;
 - to develop sustainable housing solutions for those who are homeless or in need of affordable housing, and to improve private sector housing conditions;
 - to support vulnerable adults to live independently in their communities, promoting choice, empowerment, dignity and respect;
 - to provide services that meet the different needs of children and young people living in the borough;
 - to develop learning communities that help children and young people achieve better outcomes;
 - to secure greater educational inclusion, so that all young people, including the disadvantaged and vulnerable and those with additional learning needs, benefit from earlier intervention and more effective local support;
 - to improve physical and emotional well-being by promoting active lifestyles, participation and learning;
 - to support our disadvantaged communities by promoting economic growth and sustainability;
 - to continue to promote Bridgend and its green spaces as a great place to live in and enjoy;
 - to improve the way we work to ensure effective and efficient use of our financial, technological, physical and human assets; and
- to ensure that the Authority's moral and statutory duties in respect of equalities and human rights legislation are met.
- 24 The Council must publish its improvement objectives as soon as practical after the beginning of April each year. The Council published its improvement objectives in its Corporate Plan in August 2010 and made it available on its website although it was not easy to find. The Council recognises the need to make it more accessible. Notwithstanding the Council's understandable desire to keep printing costs to a minimum the Council does print a summary of the Corporate Plan in the form of a newsletter/bulletin. This is widely available in libraries and other public buildings.
- 25 The Council has complied with requirements for producing improvement objectives in this transitional year and aims to publish its improvement objectives earlier next year. In order to give itself the best chance of achieving them they need to be agreed by the start of each year, and preferably at the same time the budget for the year is approved. The more the Council can join up its plans and processes, the better it will serve the public.
- 26 The Council's Corporate Plan 2010-2013 is a substantial, detailed document. The Council sets the improvement objectives clearly and links them to the corporate themes established in the Community Strategy. The Council provides contextual information in the form of a mini-area profile which reinforces the need for improvement or change in particular areas. The Corporate Plan includes a detailed financial plan and a corporate risk assessment. The plan includes a range of recent achievements and performance indicators setting out the performance targets for coming years. The plan does not include activity milestones and the performance indicators

- themselves will not be sufficient to demonstrate progress towards achieving the outcomes set out in the plan.
- 27 In setting improvement objectives the Council needs to be clear about what it is trying to achieve, and local citizens must know what difference achieving these objectives will make to their lives. The Council must have ways of measuring its performance so that everyone understands whether and how it is improving.
- 28 Some of the objectives are very broad and the list taken as a whole covers most of what the Council does. This approach does not help citizens to understand what the priorities for the Council are. While the headline objectives are very broad they are underpinned by actions that are aligned with business plans. These actions allow citizens to hold the Council to account and better understand what the Council is trying to achieve. Some objectives are clear to the public in terms of what they are trying to achieve, for example developing sustainable housing solutions for those who are homeless or in need of affordable housing, and improving private sector housing conditions. Others are less clear to the public, for example, building safe and inclusive communities. There is also overlap between some of them, particularly those about services for children.
- 29 We also have some reservations about the objective on meeting the Council's duties under equalities and human rights legislation. We accept that this is something that the Council wishes to continue to make progress with, but believe the Council could encompass this within its other objectives.
- 30 Our work indicates that the Council will be able to measure what it is doing to achieve the improvement objectives in many areas. In common with most other councils, the Council needs to challenge the value of its contribution to changing people's lives where its contribution is part of a partnership delivery.
- 31 Workshops that we held with members and officers of the Council in September 2010 showed that the Council is much clearer internally about what it wants to achieve for service users than the descriptions in the Corporate Plan would suggest. The workshops also revealed that the Council needs to be able show the public what its current performance is like so that it can demonstrate future improvement. This was the first time councils have been required to produce improvement objectives and the Council is learning from its first attempt and will be revisiting its objectives to make them clearer to citizens.
- 32 We also examined how well the Council involved local people and those that work with and for it, in deciding what it should make a priority. We found that the improvement objectives set out in the Corporate Plan reflected the objectives of the Community Strategy, published in April 2009 that had been developed through consultation with the public, partnerships and partners. In the future the Council must ensure that citizens are directly engaged in determining improvement objectives.
- 33 The Council is working with its partners and citizens to find ways to engage citizens and develop a community profile. Other organisations, such as those in the voluntary sector, might already be doing something similar to the things the Council is planning to do, so involving them is very important too.

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- 34 In our work we examined how well the Council has planned its efforts to do better and if it could afford to pay for these improvements. We found that its improvement planning is well thought through. However, the Council faces spending cuts which might make it difficult to deliver the very broad range of improvement objectives it has set for itself. While much of what it plans to do in its improvement objectives is designed to promote efficiency, the Council recognises the need to consider its objectives again to be sure they are affordable, when making spending decisions for the 2011-12 budget.
- 35 Every council needs to have good information and use it well if it is to provide good services and improve them further. We found that the Council's systems for gathering and using information are generally well developed, but it could make more improvements through independent checks and reviews. While some directorates carry out reviews of the information, others do not and there is no formal review process across the Council. The next stage will be for the Council to choose a clear set of measures to show if they are achieving the improvement objectives and delivering the desired services to the public.
- 36 The Council was required to publish a backward-looking Annual Report by 31 October 2010 that provides a balanced picture of the Council's performance between April 2009 and the end of March 2010. The Council met this statutory requirement and provided a balanced view of its performance in 2009-10. In future years, the Council should consider providing more detailed commentary on performance measured by the statutory performance indicators. This is likely to include further commentary around how the Council is planning to make improvements in its under-performing areas.

Is Bridgend County Borough Council serving people well?

- 37 Through the Auditor General's Improvement Assessment we hope to gradually build a picture of how well the Council is serving local people. In order to do that, each year we will examine the Council's services and some of their objectives for improvement as they relate to three important aspects of life in Bridgend County Borough. We think that together, these aspects cover most of the main 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.
- 38 In this year's assessment we have looked at how the Council is progressing on objectives in each of these areas. The objectives we have chosen are:
- support vulnerable adults to live independently in their communities, promoting choice empowerment, dignity and respect (support people in need);
 - provide services that meet the different needs of children and young people living in the borough (help people develop); and
 - improve physical and emotional well-being by promoting active lifestyles, participation and learning (safe, prosperous and pleasant place).
- 39 We chose these objectives because together they span key areas of the Council's responsibilities. The first two are easier to demonstrate than the third because emotional well-being is very difficult to measure, however that it is difficult to measure does not mean the Council cannot select this as a priority. It is important for the Council to be able to measure how its actions directly affect achievement of the objectives and to understand the role played by other agencies. Overall, if the Council has chosen to make things a priority, then it should be able to measure them in terms of how they affect local people.
- 40 We will look at other improvement objectives the Council is setting itself in our report next year.
- 41 The Welsh Language Board (WLB) 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 WLB. Every local authority is expected to provide the WLB with an Annual Monitoring Report that explains how its scheme has been implemented. This allows the WLB to offer advice as to how a council might improve its local arrangements. The WLB also undertakes its own reviews to assess the provision of Welsh language services and to promote improvement.
- 42 The WLB praised the Council for the significant progress made in mainstreaming the Welsh language through initiatives such as including the language as one element of the equality impact assessment. It is expected that this will help to identify areas for improvement and that it will feed into the corporate planning process. The WLB found that progress was made in increasing Welsh language services for young people, but that the absence of a robust commitment hindered long-term planning. The Council has failed to achieve targets in relation to adopting and implementing a Language Skills Strategy, recruitment advertising and procurement. The WLB found that the Council's website and statutory notices published in the local media did not comply fully with the Welsh Language Scheme. The Council will now be expected to deliver an improvement plan to address these issues.

Is Bridgend County Borough Council supporting people in need?

- 43 The information in paragraphs 44 and 45 illustrates the context within which the Council is operating. It includes information on issues that are outside the scope of the Council and as such is not a commentary on the Council's performance.
- 44 Life expectancy in the borough is below the Welsh average although it is rising. Female life expectancy in Bridgend for 2006-2008 was 80.2 years, compared with the Welsh average of 81.4 years and male life expectancy for 2006-2008 was 76.0 years, compared with the Welsh average of 77.0 years. Rising life expectancy will over time create additional demand for the Council's services for the elderly, and the Council will need to plan for and manage the demand.
- 45 Teenage pregnancy levels were the ninth highest in Wales in 2007 with 45.2 conceptions per 1,000 female residents aged 15 to 17 compared with the average rate for Wales of 44.9. In 2008 Bridgend had the ninth highest rate of children living in workless households amongst the Welsh local authorities. The reported level of homelessness in Bridgend in 2008-09 was the third highest of all councils in Wales.
- 46 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.
- 47 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.
- 48 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.
- 49 The Council has a number of strengths in adult services including the use of risk assessment model to help prioritise cases and low numbers of people delayed in hospital whilst care is transferred. There have been improvements in the numbers of people supported to live independently in the community and in the speed of equipment delivery. Adult protection procedures are well established with some good examples of practice, although the Council needs to further improve some aspects of practice. The Council continues to develop intermediate care and other services in partnership which are beginning to deliver successful outcomes. However, timeliness of completion of assessments and quality assurance could be improved.

50 Initial screening systems in children's services are robust, and the Council shows consistent improvement in timeliness of decision making on referrals and numbers of allocated initial assessments. Statutory reviews are delivered consistently and on time. The Council co-ordinates services for under-fives with disabilities well and has an integrated strategic approach to family support services. Performance of the adoption service, arrangements for children cared for outside the looked after system and partnership working through the Local Safe Guarding Board are good. The timeliness of initial and core assessments, initial case conferences, child protection reviews and LAC statutory visits could improve. The quality of core assessments needs strengthening and there is only limited evidence of children in need reviews being undertaken and service users' views on care planning being gathered. The Council has not been able to recruit enough foster carers which has resulted in using more expensive arrangements; this has impacted on the ability to meet the *Towards a Stable Life and Brighter Future* guidance. Aspects of support for care leavers could improve.

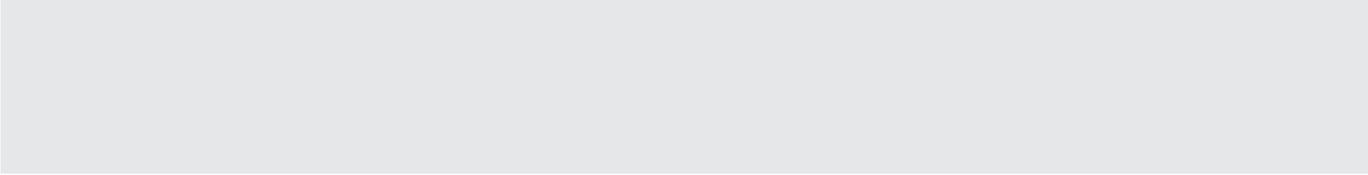
51 Sickness absence management is improving and service objectives, supported by an engaged chief executive, informed Cabinet Members and dedicated scrutiny committees, fit well with the wider Council aims. The service needs to improve communication to support change in service delivery, the provision of financial information and strengthen workforce planning. The Council is now working with partners to deliver a transformation plan for services for older people.

Is Bridgend County Borough Council improving its support for vulnerable adults to live independently in their communities?

52 The number of older people is growing generally and the Council is anticipating that there will be a significant increase in the Bridgend area. It is not just growing numbers that will increase demand for services; citizen expectations are increasing and citizens are increasingly aware of their rights.

53 The Council has traditionally provided an extensive residential care service for older people rather than looking at ways to promote and support independent living. This is expensive and can lead to overdependence, with some people being placed in residential care who would be capable of living independently with the appropriate support. The Council recognised the need to change its approach and has developed a range of services to promote independent living and closed one of its residential homes in order to redevelop the site to provide an extra sheltered housing scheme.

54 Historically Bridgend's performance has lagged behind the average for Wales when it comes to supporting people over the age of 65 to remain in their own homes, but the impact of their revised range of services has resulted in change. Council figures for 2009-10 show that while the rate of people over 65 in residential care remains worse than the Welsh average, the rate of people over 65 who are helped to live at home has improved and is now better than average for Wales. The provision of service to carers is below the Welsh average. To address this, the Council is gathering the views of service users and carers to inform further improvement.

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- 55 It is not just older people that have to be considered. The Council has to think about how it will meet the needs of the full range of vulnerable adults, for example young people with complex, high-cost care needs who are moving into adulthood; adults with learning difficulties, mental health problems or physical disabilities. Providing the right services with limited funds will involve the Council continuing to work closely with a range of partners including the health sector, voluntary organisations and social landlords.
- 56 Helping vulnerable adults to live in the community is an ambitious improvement objective. We feel it is an important one given that the future demand for services is set to increase. By the time we publish this report next year we will be able to let you know how the Council is doing.

Is Bridgend County Borough Council helping people to develop?

57 Estyn, the inspector of education services in Wales, looks at how well councils are helping children and young people develop knowledge and skills. They carry out inspections of schools, further education colleges and training organisations as well as making judgements on how well councils support these education providers. Estyn, through its regional teams, analyses performance information, visits schools and has regular meetings with directors of education to come to a view about the role of the Council and about education performance in the area.

58 Estyn have told us that performance at Key Stage 4 (Year 11) was below the Welsh average although it has shown steady improvement in recent years; however the Council met or exceeded all three of the Assembly Government benchmark expectations for Key Stage 3 and 4 performance in 2007, 2008 and 2009. However, performance at Key Stage 1 (Year 2) fell below the Welsh average for the first time in 2009. In 2010 it improved but remains just below the Welsh average. In Key Stage 2 (Year 6), performance declined in 2010 while performance across Wales continued to improve gradually. Performance is below the Welsh average. In Key Stage 3 (Year 9), performance improved in 2010 but at a slower rate than Wales as a whole and is now well below the Wales average.

59 Although the percentage of working age adults with no qualifications in the borough has gradually fallen since 2001, it is still above the Welsh average. The percentage of young people not in employment, education or training reduced in 2009 but at a slower rate than the Welsh average and the percentage in Bridgend is now the third worst in Wales; this needs to improve. The percentage of pupils remaining in full-time education after the age of 16 is higher than the Welsh average but also improved more slowly than in the rest of Wales.

Is the Council providing services that meet the different needs of children and young people living in the borough?

60 The Council was subjected to longrunning (2005-2009) intervention by the Assembly Government to address failings in children's services. The action taken by the Council as a result of the intervention has led to improvements in children's services and the Council is keen to build on these improvements.

61 There are other factors that have contributed to the Council choosing this objective, for example there are higher- than- average levels of deprivation, a higher- than- average number of young people not achieving their full potential at school, and a higher- than- average number of children in care. Existing facilities in the borough, such as Heronsbridge Special School, have also contributed to a higher- than- average number of service users in specific areas of need. Families move into the area to access this facility and many remain when their children have left the school but still require extensive support.

62 The Council has a history of good collaboration with the health sector, for example supporting young children through the Flying Start scheme. It needs to continue to develop these partnerships and fill in the gaps in provision of services at tiers 2 and 3 as well as involving more agencies so that it can provide a wider range of services and help reduce cost. There is an opportunity here for the local service board to promote more multi-agency working.

63 The Council wants to achieve six key outcomes. These are that children and young people (0 to 25 years old) are able to:

- Learn and achieve
- Participate and enjoy
- Give and receive respect
- Be healthy
- Be safe
- Be confident and self reliant

64 Delivering this improvement objective is not expected to increase costs but the scale of budget cuts the Council is facing is not yet known. It is likely to mean some actions will have to be postponed or abandoned. The Council wants to improve service quality and is hoping that changing the way it works will make it more efficient but is concerned about the impact of spending cuts.

65 The Council is currently working to understand its current position so that it can measure the extent of future improvement. While it has a lot of performance data it needs to be sure that any measures used are valuable and meaningful and allow it to compare its performance with other authorities. Overall, we feel that the Council should be in a position to measure improvement and demonstrate the benefits of what it has done for children and young people.

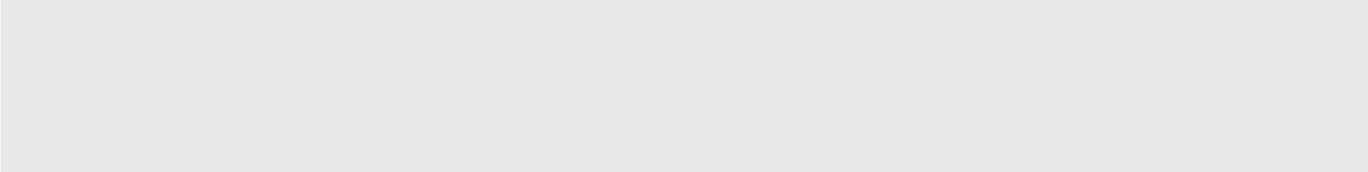
66 This very broad objective involves a wide range of initiatives and it overlaps with other objectives. It might be that the Council will need to reduce duplication in the things it plans to improve and create a more clearly focussed objective. By the time we publish this report next year we will be able to let you know how the Council is doing.

Is Bridgend County Borough Council helping to create a safe, prosperous and pleasant place to live?

- 67 The information in paragraphs 68 to 70 illustrates the context within which the Council is operating. It includes information on issues that are outside the scope of the Council and as such is not a commentary on the Council's performance.
- 68 Bridgend has a crime rate that is 10 per cent lower than the average for Wales. It has fallen steadily and by 30 per cent over the past seven years. Bridgend's crime rate is 72.6 per 1,000 population and the highest proportion of these crimes is criminal damage (32 per cent) and offences against vehicles (19 per cent). The Council actively supports the Community Safety Partnership and the action taken locally to reduce crime.
- 69 In 2009, average weekly earnings in Bridgend stood at £532; this was the sixth highest amongst the 22 Welsh local authorities. Between 1999 and 2009, earnings in Bridgend were above the Welsh average with the gap widening slightly over this period.
- 70 In 2005, the employment rate moved from being above the Welsh average to below it where it has remained since. In 2008 the employment rate in Bridgend was 70.2 per cent which was the eleventh highest amongst the 22 Welsh local authorities. In July 2010, 3.7 per cent or 3,100 residents of the working age population declared they were out of work by claiming the Jobseekers Allowance and National Insurance credits. The Welsh average was 3.6 per cent.
- 71 The Council has worked in partnership with various organisations to help people and businesses in the borough by helping to create job opportunities, develop skills and ensure investment in sustainable long-term solutions. Further, the Council has secured grants for local businesses and individuals with an aggregate value of more than £0.6 million. The grants have made possible a further investment from the private sector of some £1.2 million.
- 72 The schemes to provide financial support to encourage business investment have created 214 jobs and safeguarded a further 476. A total of 132 enterprises have been supported and 37 new enterprises created.
- 73 In the past, along with many other councils, the Council has not met the Assembly Government's recycling/composting targets. However, in June 2010 the Council introduced new services and collection frequencies in an attempt to increase recycling; the results have been significant. The Council has told us that the recycling/reuse/composting rate has increased and costs have reduced. The Council is confident that it will meet the next recycling target by 2013; we will continue to monitor improvement and include our findings in our report next year.
- 74 As well as managing recycling the Council has to keep the amount of waste sent to landfill low. In this respect, Bridgend is one of the best performing councils in Wales. The Council converts 26 per cent of its waste to energy, either directly at the MREC plant or by the manufacture of refuse derived fuel which is used in the manufacture of cement. This practice is considered less sustainable than alternative options. Plans are being considered for other collection services in the future including green garden waste collections, trade waste collections and further improvements to household waste amenity sites; these have the potential to improve performance further.

Is the Council improving physical and emotional well-being by promoting active lifestyles, participation and learning

- 75 This objective is again very broad and we have concentrated on the promoting of active lifestyles and participation and its contribution to the Council's wish to have healthy, happy citizens who lead safe, secure and stable lives and have the opportunity to participate.
- 76 This part of the objective addresses some particular health and well-being issues across the county borough and complements other objectives. It also contributes to the Council's need to make the best use of the money it spends – healthy people cost public services less. A number of achievements are noted:
- the number of adults committing themselves to regular participation within leisure facilities via membership increased by 3,536 during 2009-10;
 - the number of staff employed meeting national guidelines or standards to deliver adult physical activity intervention programmes exceeded the target;
 - the success of the joint service to increase rehabilitation outcomes for people with coronary heart disease or chronic obstructive pulmonary disease which is one of the best in Wales; and
 - the arrangements made to enable people with a disability to access Council leisure services.
- 77 There is a lot of information to let the Council know how it is doing on this objective. The percentage of adults who regularly participate in sport and active recreation in Bridgend has been below the Welsh average since 2002-03. Sports Council for Wales' survey data shows that overall participation in physical activity is below the Welsh average. The Council's exercise referral scheme developed in partnership with local GPs has been identified by the Assembly Government as an example of good practice.
- 78 The percentages of obese adults for 2007 and 2008 and those who smoke were around the Welsh average and follow the Welsh trend of a slight increase in adult obesity and a slight decrease in adult smoking. The estimated number of individuals referred for alcohol treatment for Bridgend was below the Wales average in 2008-09.
- 79 The Council recognises that it is not currently as effective in this aspect of its work as it could be and that it needs to involve more partners to share the effort. Citizen demands are changing and the Council has to respond. Older people want to stay fit and the Council will need to work with community groups that are actively working in this area. Disabled people want to take part and the Council will need to work with voluntary groups to help them to participate.
- 80 Cost will inevitably be a factor and the Council will need to promote no cost and low-cost options such as walking and cycling because spending cuts over the next few years will make it very difficult to expand, or even maintain, leisure provision.

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- 81 It will be easier to demonstrate the success of the objective in improving physical well-being than it will be for emotional well-being. The Council uses a number of measures to assess physical well-being such as such as healthy births, and birth weights. Measures of emotional well-being are far more difficult to come up with because factors such as self perception play a big part. The Council is looking at ways it can demonstrate improvements in emotional well-being such as a self perception survey.
- 82 The inclusion of learning makes this is a very broad objective and improved emotional well-being is very difficult to demonstrate. The Council recognises this difficulty and is looking at ways to come up with meaningful information. By the time we publish this report next year we will be able to let you know how the Council is doing.

What should the Council do?

- 83 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.
- 84 In the light of our work the Auditor General is not making any formal recommendations but the Council should consider our following proposals to help it improve.

Proposals we made in our earlier work

- the Council should finalise its business planning arrangements over the coming months based around a Medium Term Financial Strategy;
- to eliminate inconsistencies between property information and finance data, the Council should implement a new fixed asset data storage system;
- the Council should develop outcome measures for partnership working;
- the Council should ensure that the staff performance appraisal process is consistently applied across the Council as a means of embedding performance management into everyday management;
- the Council needs to develop its approach to workforce planning; and
- the Council should review the Internal Audit programme and Scrutiny Committee forward work programmes to satisfy itself that the most significant risks to the Council are being reviewed.

New proposals

- review existing improvement objectives to ensure that they are legitimate, affordable and in line with the priorities set out in the budget for 2011-12;
- further develop engagement with citizens and stakeholders in determining future improvement objectives;
- look at existing information relating to each improvement objective to establish the current position and identify gaps that need to be filled; and
- for all improvement objectives choose a clear set of measures that will demonstrate the results for local citizens.

Appendix 1

About the Auditor General for Wales and this report

The Auditor General

The Auditor General is independent of government and is appointed by Her Majesty the Queen. He leads the Wales Audit Office and is held accountable by the Public Accounts Committee of the National Assembly for the Wales Audit Office's work.

The Wales Audit Office helps the Auditor General by examining various aspects of how Welsh public bodies work. It was created in 2005 when the National Audit Office in Wales and the Audit Commission in Wales merged.

The Auditor General is the external auditor of the Assembly Government and its sponsored and related public bodies; the National Assembly for Wales Commission and National Health Service (NHS) bodies in Wales. He also appoints the external auditors of Welsh local government bodies, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils.

As well as carrying out financial audit, the Auditor General's role is to examine how public bodies manage and spend public money, including achieving value in the delivery of public services. The law which created the Wales Audit Office also expanded the powers of the Auditor General to follow the 'public pound' wherever it goes.

This report

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

This report has been produced by the Auditor General for Wales to discharge his duties under section 24 of the Measure. The report also discharges duties under section 19, namely; to issue a report certifying that he has carried out an audit under section 17 and an improvement assessment under section 18.

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

The main piece of work for the Wales Audit Office, to enable the Auditor General to fulfil his duties, is an annual Improvement Assessment.¹

¹ This assessment will be conducted for each improvement authority, under section 18 of the Measure. For each authority, it will determine whether the authority is likely to comply with the requirements of Part 1 of the Measure. The Wales Audit Office will also undertake improvement information and planning audit, as required under section 17 of the Measure, in order to ascertain whether the authority has discharged its duties under section 15(1) to (7).



This will be informed by a:

- Corporate Assessment – a forward-looking assessment of an authority’s likelihood to comply with its duty to make arrangements to secure continuous improvement; and
- Performance Assessment – a retrospective assessment of whether an authority has achieved its planned improvements in order to inform a view as to the authority’s track record of improvement.

The output(s) from these assessments will be issued by the Auditor General as Audit and Assessment Report(s), under section 19 of the Measure. In publishing this report under section 19, the Auditor General for Wales is certifying that we have undertaken a section 17 audit and a section 18 improvement assessment.

The Auditor General may also in some circumstances carry out Special Inspections (under section 21), in respect of which he will provide a report to the relevant authorities and Ministers, and which he may publish (under section 22).

The Auditor General will summarise Audit and Assessment Reports in this published Annual Improvement Report (under section 24). This will also summarise any reports of Special Inspections.

An important ancillary activity for the Wales Audit Office is the co-ordination of assessment and regulatory work (required by section 23), which takes into consideration the overall programme of work of all relevant regulators at an improvement authority. The Auditor General will also take account of information shared by relevant regulators (under section 33) in his assessments and this report will summarise any work undertaken by them.

The Auditor General sets out the fee for his performance audit work undertaken to discharge his duties under the Measure at each local authority in a Regulatory Programme agreed each year with the authority. The fee for November 2009 until March 2011 is currently expected to be in line with that set out in the Regulatory Programme.

Appendix 2

Useful information about Bridgend and Bridgend County Borough Council

In 2008-09 the Council spent £287 million, equating to £2,130 per resident. It also spent £27 million on capital items.

Source: National Assembly for Wales website (002631 StatsWales reference) Wales Audit Office Ref: (100)

The average band D council tax in 2009-10 for Bridgend was £1,184.12 per year, this will increase by 4.77 per cent to £1,240.56 per year for 2010-11. Eighty per cent of Bridgend's housing is in council tax bands A to D.

Source: StatsWales Wales Audit Office Ref: (75)

The Members of Parliament for Bridgend are:

Huw Irranca-Davies, Ogmore, Labour

Madeleine Moon, Bridgend, Labour

Source: Members' Research Service Wales Audit Office Ref: (234)

The National Assembly Members in Bridgend County Borough are:

Carwyn Jones, Bridgend, Labour Party

Janice Gregory, Ogmore, Labour Party

South Wales West Regional Assembly Members are:

Alun Cairns, Welsh Conservative Party

Peter Black, Welsh Liberal Democrats

Dai Lloyd, Plaid Cymru

Bethan Jenkins, Plaid Cymru

Source: National Assembly for Wales website Wales Audit Office Ref: (13)

There are 54 councillors for Bridgend 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 Labour

9 Independent

6 Conservatives

6 Liberal Democrat

3 Democratic Independent

2 Independent

1 Plaid Cymru

The Leader of the Council is Cllr Mel Nott; the other Cabinet Members and their portfolios are:

Cllr David Sage – Deputy Leader

Cllr Alana Davies – Children and Young People

Cllr Huw David – Resources

Cllr Lyn Morgan – Well-being

Cllr John Spanswick – Communities

Source: Bridgend County Council Website Wales Audit Office Ref: (54)

The Council's Chief Executive is Dr Jo Farrar and her management team includes:

Assistant Chief Executives: Andrew Jolly (Legal and Regulatory Services) and David MacGregor (Corporate Development and Partnerships)

Corporate Director, Well-being: Abigail Harris

Corporate Director, Children: Hilary Anthony

Corporate Director, Communities: Louise Fradd

Head of Property and Finance: Allan Phillips

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.bridgend.gov.uk or contact the Council at Civic Offices, Angel Street, Bridgend, CF31 4WB

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.

The Council has strengthened its corporate arrangements and delivered a number of improvements but there are still areas that need further development if future improvement is to be secured.

How the Council has approached improvement over time

Whilst the Council has addressed a number of weaknesses in its corporate arrangements a robust approach to business planning will be crucial to securing future improvements.

Previously, actions such as stock transfer were forward looking and innovative, but weaknesses in corporate arrangements contributed to long-term deterioration in areas such as children's services.

Political and managerial leaders have worked constructively together to tackle some longstanding issues and deliver improvement.

A forward-looking approach to business planning is currently being developed.

Analysis of the Council's arrangements to help it improve

Effective leadership, partnership working, business processes and some aspects of people management are supporting improvement but the arrangements for performance management and workforce planning may compromise future improvement.

Effective leadership and governance has resulted in coherent top-level policies and strategies.

Developments in citizen engagement, aspects of people management, and some business processes are positively supporting improvement.

The Council has a positive culture of partnership working for the benefit of the community and whilst it has begun to look at the potential for partnerships to deliver savings, this is not underpinned by a mechanism to evaluate outcomes.

The Council needs to further strengthen business planning, performance management and workforce planning to secure future improvement.

For the full report see our website at www.wao.gov.uk or contact us at the address on the inside cover of this report.

Appendix 4

Appointed Auditor's Annual Audit Letter to the Members of Bridgend County Borough Council

Bridgend County Borough Council complied with financial and performance improvement reporting requirements but is facing significant financial pressures in the near future.

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 us 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 we have completed the audit of the accounts.

On 24 September 2010 we issued an unqualified audit opinion on the accounting statements, confirming that they presented a true and fair view of the Council's financial transactions. Our report is contained within the Statement of Accounts.

We reported the outcome of our accounts audit to the Council's Audit Committee on 16 September 2010. Our report is available on the Council's website in the documents for that committee meeting. We identified the following matter during the accounts audit:

- Officers have a positive attitude to preparing an accurate, complete set of accounts with good commentary on the financial performance. The Council has simplified and strengthened its year-end financial reporting process. There is scope to improve this further by adopting more efficient capital accounting procedures. There are also opportunities to improve the in-year accounting processes.



- Revised accounting requirements for the Council's Private Finance Initiative (PFI) scheme were correctly implemented and significant progress is being made in preparation for implementing International Financial Reporting Standards (IFRS) in 2010-11.
- The Council provided appropriately in its accounts as at 31 March 2010 for equal pay claims and job evaluation.
- The Whole of Government Accounts return was prepared effectively and in accordance with the Assembly's timetable.

Our 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 Measure. The main findings from this latter work will be set out in the Annual Improvement Report. In addition we also bring the following issues to your attention:

- Effective budgetary control arrangements are in place and medium-term financial planning is developing well, but the Council faces significant financial pressures in the future. This is referred to further in the Annual Improvement Report.
- The council needs to bring its job evaluation project to a close.

The Council's Improvement Plan 2010-11 meets statutory requirements and provides a balanced view of its performance in 2009-10. Details of significant issues are outlined below:

- In future years, the Council should consider providing more detailed commentary on performance measured by the statutory performance indicators. This is likely to include further commentary around how the Council is planning to make improvements in its under-performing areas.

We issued a certificate confirming that the audit of the accounts had been completed on 24 September 2010, at the time the audit opinion was issued.

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

KPMG LLP
Appointed Auditor
November 2010

Appendix 5

Bridgend County Borough Council's improvement objectives

The Council published its improvement objectives in its Corporate Plan 2010-2013 which can be found on the Council's website at www.bridgend.gov.uk. They are:

- to build safe and inclusive communities;
- to develop sustainable housing solutions for those who are homeless or in need of affordable housing, and to improve private sector housing conditions;
- to support vulnerable adults to live independently in their communities, promoting choice, empowerment, dignity and respect;
- to provide services that meet the different needs of children and young people living in the borough;
- to develop learning communities that help children and young people achieve better outcomes;
- to secure greater educational inclusion, so that all young people, including the disadvantaged and vulnerable and those with additional learning needs, benefit from earlier intervention and more effective local support;
- to improve physical and emotional well-being by promoting active lifestyles, participation and learning;
- to support our disadvantaged communities by promoting economic growth and sustainability;
- to continue to promote Bridgend and its green spaces as a great place to live and enjoy;
- to improve the way we work to ensure effective and efficient use of our financial, technological, physical and human assets; and
- to ensure that the Authority's moral and statutory duties in respect of equalities and human rights legislation are met.

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