



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

# Annual Improvement Report

## Denbighshire County Council

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# About the Auditor General for Wales

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 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. 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. The Auditor General's appointed auditors are responsible for the annual audit of the majority of public money spent in Wales, including the £15 billion of funds that are voted to Wales annually by the Westminster Parliament. Nearly £5.5 billion of this funding is passed by the Welsh Government to local government in the form of general and specific grants. Local government, in turn, raises a further £2.1 billion through council tax and business rates.

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 Wales Audit Office aims to make public money count, by promoting improvement, so that people in Wales benefit from accountable, well-managed public services that offer the best possible value for money. It is also committed to identifying and spreading good practice across the Welsh public sector.

Huw Vaughan Thomas, Auditor General for Wales, was supported by Stephen Martin, Karen Lees and colleagues under the direction of Alan Morris in conducting the Improvement Assessment and producing this report.

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# Summary report

- 1 Each year, the Auditor General must report on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement and delivering their services. Drawing on the work of the relevant Welsh inspectorates, and the work of the Wales Audit Office, this report presents a picture of improvement over the last year. The report is in three main sections, which cover the planning, delivery and evaluation of improvement by Denbighshire County Council (the Council).
- 2 The Council has set itself the aim of being a 'high performing council close to the community'. In addition to its statutory duties, it has five improvement objectives which are:
  - adapting service delivery to address demographic changes;
  - reducing deprivation and growing Denbighshire's economy sustainably by strategically targeting resources;
  - modernising the education service to achieve a high level of performance across the county;
  - securing a sustainable road network and flood defences; and
  - improving the way the Council works.
- 3 Overall the Auditor General has concluded that the Council is improving outcomes for residents through better planning, delivery and reporting although there is further to go to achieve its ambitious objectives.
- 4 We found the Council is continuing to develop its planning and arrangements to deliver improvement. It has streamlined its governance arrangements, further developed collaboration with partners, and has made good progress responding to suggestions in previous reports.
- 5 We also found that the Council is working towards achieving its improvement objectives although further progress will be required to fulfil its aims. We based this conclusion on the following:
  - The Council has made good progress with its planned actions to improve the way it works and become 'a high performing council, close to the community'.
  - The Council is adapting service delivery to meet the needs of an increasing number of older and disabled people, and is beginning to address the wider demographic change agenda.
  - Progress is being made in supporting regeneration in Rhyl and in the economy of the county although further work is required to assess the level of activity and resources needed to achieve the Council's objectives.
  - The Council reports that progress is being made to modernise the education service. The Council's performance will be reviewed in an Estyn inspection in early 2012.
  - The capital programme to improve roads and flood defences is being delivered and further major work is planned.

- The Council is delivering improved social care, housing, and waste management services for residents but further improvements can be made.

6 Finally, the report sets out our views on the Council's own assessment of its performance and arrangements. We concluded that the Council is making good use of self-assessment and improved performance evaluation in its arrangements to deliver and improve services.

# Recommendations and proposals for improvement

- 7 There are no formal recommendations but the following proposals for improvement are made to the Council to support improvement:

## Proposals for improvement

- P1** The Council, in common with other authorities in Wales, should use its annual review of governance arrangements to provide a more robust self-assessment of their effectiveness.
- P2** By September 2012 the Council should establish how it will support the *Rhyl Going Forward* delivery plan including:
- showing how it fits with the county regeneration programme;
  - confirming the staff and financial resources that will be available to support delivery; and
  - arrangements for periodic evaluation of progress.

# Detailed report



## Introduction

- 8 This report is written by the Auditor General supported by staff of the Wales Audit Office. On [page 2](#) you can find a brief explanation of what the Auditor General does.
- 9 Under the Local Government (Wales) Measure 2009 (the Measure), the Auditor General must report each year on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement and delivering their services. [Appendix 1](#) provides more information about the Auditor General's powers and duties under the Measure. With help from Welsh inspectorates, Estyn (for education) and the Care and Social Services Inspectorate for Wales (CSSIW), we have brought together a picture of what each council or authority in Wales is trying to achieve and how it is going about it. This report also sets out the progress the Council has made since the Auditor General published his last *Annual Improvement Report*, drawing on the Council's own self-assessment.
- 10 Throughout the report, we set out what the Council needs to do to improve its services. Given the wide range of services provided and the challenges facing the Council it would be unusual if we did not find things that can be improved. The Auditor General is able to:
- recommend to Ministers of the Welsh Government that they intervene in some way;
  - conduct a special inspection and publish the report with detailed recommendations;
  - make formal recommendations for improvement – if a formal recommendation is made the Council must respond to that recommendation publicly within 30 days; and
  - make proposals for improvement – if we make proposals to the Council, we would expect it to do something about them and we will follow up what happens.
- 11 We want to find out if this report gives you the information you need and whether it is easy to understand. You can let us know your views by e-mailing us at [info@wao.gov.uk](mailto:info@wao.gov.uk) or writing to us at 24 Cathedral Road, Cardiff CF11 9LJ.



## Denbighshire County Council is improving outcomes for residents through better planning, delivery and reporting although there is further to go to achieve its ambitious objectives

- 12 The Council's *Corporate Plan 2009-2012* was developed around four corporate priorities (concerned with service delivery) and four improvement themes (concerned with development of the organisation's capacity). In 2010, the Council set five improvement objectives for 2010-11, four of which related to the existing corporate priorities, and one of which is a rationalisation of the four improvement themes. The Council has retained these objectives in 2011-12. The objectives are:
- adapting service delivery to address demographic changes;
  - reducing deprivation and growing Denbighshire's economy sustainably by strategically targeting resources;
  - modernising the education service to achieve a high level of performance across the county;
  - securing a sustainable road network and flood defences; and
  - improving the way the Council works.
- 13 We do not undertake a comprehensive annual review of all council arrangements or services. Our work has been focused on the main objectives the Council has set itself and some other key issues. The conclusions in this report are based on our cumulative and shared knowledge and the findings of the prioritised work undertaken this year.
- 14 It is important for councils to have a good self-understanding of how effective they are and the extent of progress and improvement they are making. The Auditor General, other inspectorates, the Welsh Government and councils are developing a common understanding of effective self-evaluation and this will assist future assessment. We have made some initial comments on self-evaluation at the Council later in this report. We found that senior officers and councillors have a good understanding and assessment of their progress but this is not fully reflected in the Council's *Annual Performance Review*. This review provides a great deal of useful information including assessment of progress in specific actions, performance indicators and some objectives but does not provide a clear overall assessment of progress on each of the Council's improvement objectives. Throughout this report we refer to the Council's own information and assessments where available.

## The Council is continuing to develop its planning and arrangements to deliver improvement

- 15 This section comments on the Council's planning and arrangements for delivering improvement. It draws on aspects of the Council's objective 'to improve the way the council works'. This section covers:
- previous findings by the Auditor General on the arrangements for improvement;
  - Human Resources (HR) and workforce planning;
  - governance including decision making and scrutiny arrangements;
  - arrangements for collaboration and partnership working with other councils and bodies;
  - the use of resources and arrangements to address the financial challenges faced by all councils;
  - the Council's arrangements to meet the requirements of the *Equality Act 2010* and to support the Welsh language; and
  - how the Council engages with the public and local communities.
- 16 We found that the Council is continuing to develop its planning and arrangements to deliver improvement.

**In July 2011, the Auditor General reported that the Council leadership is continuing to drive change and is actively working to address the previously identified weaknesses**

- 17 In July 2011, the Auditor General issued a *Corporate Assessment Update* letter to the Council. The letter commented on developments since the previous reports and

the Auditor General confirmed that he was satisfied that the Council was discharging its duties under the Measure and was likely to comply with its requirements during this financial year. He concluded that 'the Council leadership is continuing to drive change and is actively working to address the previously identified weaknesses'. This assessment was based on our findings that:

- good progress was being made on the areas for improvement identified in our 2010 *Preliminary Corporate Assessment*;
- the Council had made good progress in developing plans to address weaknesses in HR arrangements, although it had made less progress on workforce planning;
- further progress had been made in developing collaboration arrangements;
- the Council's approach to engaging with the public was improving; and
- the Council was well placed to address its financial challenges, although the scale of change required will inevitably require continued clear leadership and direction.

**The Council has made good progress in addressing proposals for improvement made in previous reports by the Auditor General**

- 18 Proposals for improvement were made in our *Preliminary Corporate Assessment* in June 2010 and in our previous *Annual Improvement Report* in January 2011. There were no additional recommendations or proposals in the *Corporate Assessment Update* letter.

### Exhibit 1: Progress on previous proposals

The Council has made good progress in addressing those areas previously highlighted by the Auditor General as needing improvement.

Previous proposals for improvement	Progress
<b>Proposals made in the <i>Preliminary Corporate Assessment, July 2010</i></b>	
The Council should further develop and implement its plans to streamline decision making and scrutiny to ensure that roles are clear and that time is given to the matters that are considered the most important.	Completed: <i>Paragraphs 23-29</i>
The success criteria for achieving the ambition to be a high performing council closer to the community should be more clearly expressed so that levels of progress can be assessed.	Good Progress: <i>Paragraphs 55-56</i>
The Council leadership should improve the way in which it assesses its value for money and how this is communicated, so that elected members and officers have an improved understanding of the progress made in improving efficiency.	Reasonable progress: <i>Paragraph 40</i>
<b>Additional proposals made in the <i>Annual Improvement Report, January 2011</i></b>	
The Council should include children and young people in its consultations and engagement where appropriate.	Good progress: <i>Paragraph 57</i>
The accountability and monitoring for becoming 'closer to the community' should be clearer.	Completed: <i>Paragraph 55</i>
The Council should monitor progress on whether it is doing sufficient work to address the impact of demographic change and to achieve a more balanced population.	Good progress: <i>Paragraphs 67-69</i>
The Council should set clearer outcome measures for improving roads and flood defences that show how residents will benefit from the Council's work.	Good progress: <i>Paragraph 95 and 101</i>

## The Council is making progress in addressing the previously identified risks in its human resources arrangements and workforce planning

- 19 Previous work by the Council and the Auditor General had identified risks to the effectiveness of the authority in managing and supporting its staff, and in planning its future workforce requirements. Over the last year the Council has made progress in all the main areas identified as needing improvement, although much work remains to be done to embed the improved arrangements.
- 20 The Council's *Annual Performance Review* provides some comments on progress under the objective to improve the way the Council works. These include:
- that the Council had met its target for reduced sickness absence;
  - the percentage of eligible staff who had a performance appraisal had improved, but was still below target;
  - the Council's *Change Programme* had achieved savings, including through restructuring of the HR service; and
  - the HR service had supported the development of service workforce plans which will be used as the basis for a new corporate workforce plan in 2011-12.
- 21 In addition, we have noted:
- Changes in the organisation of HR services are being implemented. These involve a shift of responsibility to middle managers for delivery of some aspects of day-to-day staff management. This work is progressing and managers are being supported by HR officers to make the expected changes.
  - We found that the staff we spoke to from different departments were very positive about working for the Council and had a high level of awareness and engagement with council priorities.
- 22 However, we also found that in some HR activities, progress was slower than anticipated. For instance, the final agreement on certain HR policies was delayed by inordinate meetings. There were problems in the creation of a bilingual information technology systems intranet service, which resulted in a delay in HR policies being available to the Council and schools via the new intranet service. This is a key change in the redesign of the HR service and the delay slowed down the change to the new ways of working.
- ## Governance arrangements have been streamlined and are supporting effective leadership and management
- 23 In the 2010 *Preliminary Corporate Assessment*, the Auditor General recommended that the Council further develop its plans for streamlining decision making and scrutiny and focusing attention on the most important matters. The Council has fully responded to this recommendation.

24 The Council's *Annual Performance Review* notes that the Council had completed its planned review of democratic and scrutiny structures and improved management processes and accountability. These changes included replacing four directorate based scrutiny committees with three cross-cutting committees for 'performance', 'communities', and 'partnerships'. A new senior management structure was introduced in January 2011 with three, instead of four, corporate directors who performance manage the heads of service rather than directly manage services. The *Annual Performance Review* also notes that the Council has completed its plans to explore the development of Member Area Groups. These have now been established and are intended to play a role in the development of town plans and other objectives.

25 These new scrutiny arrangements were implemented in May 2011 and consequently it is too early to judge if they have been successful. Nonetheless, although there are some 'teething problems' with the new arrangements, we consider them to be soundly based and developing satisfactorily, for the following reasons:

- The move from 'service' focused scrutiny to a more cross-cutting/broader focus fits with the overall corporate approach and changes to the management structure.
- Councillors have played a significant role in shaping the new scrutiny approach and many councillors (including scrutiny chairs) are committed to making it a success.
- The Council has already planned a review of the new arrangements, which it is due to report in March 2012. The Council needs to recognise that scrutiny

arrangements do take some time to establish themselves and demonstrate impact.

- The process for identifying and choosing scrutiny work items has been developed by and involves both councillors and officers. The process is robust in that it has focused upon the corporate priorities.
- To address the potential loss of 'councillor expertise' under the new arrangements, the Performance Scrutiny Committee has given a lead role for specific service areas to individual members to ensure they develop and maintain expertise. In addition, the twice-yearly service review process and challenge process involved councillors in the individual service reviews, so that they can develop expertise.
- The information provided to the scrutiny committees is in a standard format and of good quality.
- The quality of questions asked by some committees' members could be improved to ensure their questions are more consistently focused on the right issues, and are concise and probing.

26 We found that there was clear and effective leadership by senior councillors and officers. The changes to the senior management arrangements also seem to have become quickly established. We found clear evidence that the new arrangements are having a positive impact on the leadership of the Council's improvement priorities, for example in establishing an improved whole-council approach to becoming 'close to the community' and in improving the focus of work on regeneration.

27 During 2011, the Council undertook a corporate governance review as part of the process to update and agree its *Annual Governance Statement*. The Council has a *Code of Corporate Governance*, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. The review found that the Council had adequate arrangements in place for meeting the six principles in the framework but the review of the effectiveness of the arrangements identified three significant governance risks:

- Partnership governance: There is currently no partnership governance framework in place to ensure that risks arising from partnership working are effectively managed.
- Information governance: Reports by the Wales Audit Office and Internal Audit have both raised serious concerns about information management within the Council, in particular highlighting that there is a lack of corporate lead to drive information governance forward.
- Elected member performance and development: There is currently no assessment of elected member training needs and no training plan to develop members. The Leader has developed an appraisal process for Cabinet members, although Cabinet has not formally approved this process.

28 The Council has actions planned to address these risks, as set out in the *Annual Governance Statement*. The review also noted that the Council is reviewing its existing risk management arrangements, having recognised the need to improve the embedding of risk management within the Council and within partnerships.

29 Whilst the review did identify some risks related to the effectiveness of some aspects of governance, the focus of the review was on whether arrangements were in place rather than their effectiveness. The Council can increase the emphasis on the effectiveness of the governance arrangements and broaden the engagement in the process so that the review provides a more robust self-assessment.

### The Council has further developed its arrangement for local and regional collaboration

30 The *Annual Performance Review* says that the Council has made progress in its intention to deliver a collaboration agenda and major waste management collaboration projects. The review provides a description of some of the developing arrangements, although it provides little evaluation of the effectiveness of these developments or of the reasons for collaboration on some issues and not on others.

### Conwy

31 The Council is involved in significant collaborations with Conwy County Borough Council, in a range of local partnership bodies linked to the Local Service Board, and in wider regional developments with other North Wales councils.

32 With Conwy County Borough Council, the Council has developed a Joint Leadership Board and is considering integrating services for Highways and Infrastructure and for Planning, and Public Protection. It is developing joint processes and plans, joint performance challenge sessions and held a first Joint Partnership Overview and Scrutiny meeting in December 2011.

#### **Collaboration with other local partners**

33 The Council has also developed a number of other collaborative projects with relevant partners. These include the Home Enhanced Care Service with Betsi Cadwaladr University Health Board and Conwy County Borough Council. This project provides intermediate care services at home to people who might otherwise have needed hospital care. It followed the closure of 52 inpatient beds at the Royal Alexander Hospital in Rhyl. The service started in June 2010 and early evaluation by the health board and its partners is positive.

34 Through collaboration and partnership rationalisation, a range of integrated or shared services and joint partnership bodies is developing. These include:

- a joint Local Service Board for Conwy and Denbighshire from September 2011;
- a joint Conwy and Denbighshire Local Safeguarding Children Board;
- a joint Conwy and Denbighshire Youth Offending Team; and
- the North East Wales Emergency Duty (social work) Team for Denbighshire, Wrexham and Flintshire.

35 The Council and its partners in the Local Service Board have agreed *The BIG Plan for Denbighshire* which is an integrated *Community Strategy; Health Social Care & Wellbeing Strategy; Children and Young People's Plan; and Community Safety Plan*. It is based on achieving outcomes for residents and has been refined through extensive consultation with the local community, which we have identified as good practice in public engagement.

#### **Regional collaborations projects are being developed**

36 With other councils in North Wales, Denbighshire is part of the North Wales Regional Leadership Team and is involved in four programme boards, each of which has a number of projects for regional collaboration (see [Exhibit 2](#)).

## Exhibit 2: Regional collaboration projects

The four regional programme boards are developing a range of projects.

Programme board	Projects
<b>Education and Related Services</b>	<ul style="list-style-type: none"> <li>• School Improvement Service (A second phase is expected to extend the scope of the service)</li> <li>• Collaboration in Library Services</li> </ul>
<b>Social Care and Health</b>	<ul style="list-style-type: none"> <li>• Commissioning Hub</li> <li>• Supporting People Services</li> <li>• Telecare</li> <li>• Workforce Development</li> <li>• ICT support for client records (PARIS and RAISE)</li> </ul>
<b>Environment and Regulatory Services Board</b>	<ul style="list-style-type: none"> <li>• Fleet Management</li> <li>• Transforming Transport</li> <li>• Waste</li> <li>• Taith Extension</li> <li>• Economic Development</li> </ul>
<b>Support Services</b>	<ul style="list-style-type: none"> <li>• Legal Services</li> <li>• ICT</li> <li>• Procurement</li> <li>• Single Person Discounts</li> <li>• Emergency Planning</li> </ul>



## Other regional developments

37 Several other regional collaboration projects have been developed separately. These include:

- The North East Hub *Food Waste Project* with Flintshire and Conwy Councils which will provide an anaerobic digestion plant for the treatment of household food. Planning consent will soon be sought for a site in Denbighshire and the preferred companies to develop the project have been agreed.
- The *North Wales Residual Waste Treatment Project* for five North Wales councils for which three waste management companies have recently been shortlisted to deliver a long-term treatment solution for residual waste in North Wales.

## The Council is well placed to address its financial challenges

38 In the *Corporate Assessment Update* letter in July 2011, the Auditor General commented that 'the Council is well placed to address its financial challenges, although the scale of change required will inevitably continue to require clear leadership and direction'. This is still the case.

39 The Council's *Annual Performance Review* summarises the way in which the Council is addressing the reduced budget settlement forecasts for the next few years. It notes that:

- The Council has used the Service Challenge process to identify savings.

- The Council has developed a *Medium Term Financial Plan* which sets out how it will make savings between 2010 and 2016.
- The receipt of grants late in the financial year has enabled reserves to be increased during 2010-11.
- The budget setting process for 2010-11 included the allocation of £1 million for investment in the Council's improvement priorities. This figure was increased to £1.5 million in 2011-12 with the largest proportion being used to support prudential borrowing for major highways works.

40 The service review and challenge meetings involve key elected members and officers. They challenge self-assessment of each service and consider the potential for significant service changes and for identifying efficiencies and savings. These meetings have heightened the focus on value for money and improving outcomes through service changes. Elected members and officers have been involved in these processes and all members have been involved in informal council meetings to consider the Council's efficiency programme. These processes have helped increase members' understanding of the value for money offered by services and the Council. The Council has also reviewed the value for money achieved through specific developments. For example, it has considered the impact achieved by additional funding was provided to schools in 2010-11 to support key education priorities and a report on this was provided to the Performance Scrutiny Committee.

- 41 On 30 September 2011, the auditor appointed by the Auditor General issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Council's financial position. **Appendix 3** gives more detail.

### **The Council is preparing for the introduction of new responsibilities under the Equality Act 2010 and it has complied with its Welsh Language Scheme with some minor exceptions**

- 42 The Council's *Annual Performance Review* rated the progress on delivery of its Equalities Plan as having almost met its targets. The introduction of the *Equality Act 2010* has meant that resources have been focused on ensuring that processes are in place to meet the additional duties placed on public bodies in relation to the new legislation from April 2012.
- 43 The Council has been working regionally with other public sector organisations in North Wales to develop a set of joint equality objectives to tackle common issues across the region. A new Fairness Framework and Equality Impact Assessment toolkit has been agreed. The remaining challenge is to implement the new toolkit and provide support to embed the process into the day-to-day business of the Council.
- 44 The Welsh Language Board (the Board) works with councils to help them develop Welsh language schemes that guide the way in which a council provides services to promote and facilitate the use of the Welsh language. The Board conducted inspection

exercises on the Council's website, official notices and electoral documentation during the year, and came to the conclusion that 'the Council had complied with its Welsh Language Scheme with some minor exceptions. The Board praised the Council for this level of compliance, but also emphasised the need to ensure that Welsh language job descriptions appear on the Council's website at the same time as those in English. The Board welcomed the fact that it will soon be possible to apply for jobs with the Council online through the medium of Welsh. The Council has received complaints about translation undertaken by third parties working on its behalf and the Board has asked the Council to look into its translation processes.'

### **The Council's approach to engaging with the public is improving**

- 45 Our July 2011 *Corporate Assessment Update* letter said 'the Council's approach to engaging with the public is improving'. This conclusion was based on the following findings:
- The Council shows a high level of commitment and understanding towards public engagement. It uses a number of innovative ways to support more effective public engagement, including participatory budgeting and *The Big Debate* on the budget. A corporate engagement strategy is not in place but is being developed.
  - Information about council services is provided to the public effectively through several different channels of communication and feedback is

encouraged to help shape local service delivery. However, the outcomes from some of these engagement activities are not being provided to the public. The approach to public engagement is outcome-focused but performance management arrangements are still being developed to monitor and evaluate the effectiveness of public engagement activity.

- There is evidence of some public engagement initiatives making a difference to the design and delivery of policy and services but it is too early to say that a sustained strategic approach to public engagement is in place.

46 Our recent work has found some further positive impact from public engagement including how it has helped identify issues and potential solutions for the modernising schools programme. We identified four areas of notable practice – information on these will be available on the Wales Audit Office Good Practice Exchange website – [www.wao.gov.uk/goodpractice/goodpracticeexchange.asp](http://www.wao.gov.uk/goodpractice/goodpracticeexchange.asp). These relate to:

- the use of Participatory Budgeting at Ruthin Cae Ddol Park, Ruthin;
- the development of the Member Area Groups;
- *The Big Debate* – public engagement exercise in 2010 to consult on efficiencies and services; and

- Ceri's Family – is a web-based virtual media family used initially in the consultation phase of the *Health, Social Care and Well Being Strategy 2008-2011: Healthy Denbighshire* and further developed since then.

### **Good Practice** ***The Big Debate***

The Council has developed a four-year efficiencies plan to achieve savings and to direct resources to its priorities. In 2010, the public were provided with initial proposals and encouraged to engage through *The Big Debate* with public meetings and online comments. Suggestions received included reducing meetings and allowances for councillors, freezing or reducing pay for managers and staff, reducing flower displays, turning off street lights, merging services with other councils and cutting council tax. The suggestions were used to develop the programme and a response to 40 specific suggestions has been provided. The exercise is being repeated for 2012-13.

More information is available at:

[www.denbighshire.gov.uk/thebigdebate](http://www.denbighshire.gov.uk/thebigdebate) and the Wales Audit Office Good Practice Exchange: [www.wao.gov.uk/goodpractice/goodpracticeexchange.asp](http://www.wao.gov.uk/goodpractice/goodpracticeexchange.asp)

## The Council is working towards achieving its improvement objectives although further progress will be required to fulfil its aims

47 The next sections consider the progress the Council is making towards achieving its improvement objectives and its services to its residents. We found that the Council is working towards achieving its improvement objectives although further progress will be required to fulfil its aims.

### The Council has made good progress with its planned actions to improve the way it works and towards becoming a 'high performing council, close to the community'

48 The Council has an overall aim of becoming a 'high performing council, close to the community' and one of its improvement objectives is to improve the way the Council works. We found that the Council has made good progress with its planned actions to improve the way it works and towards becoming a 'high performing council, close to the community'.

### Good progress has been made with many proposed actions to improve the way the Council works

49 In 2010, the Council brought together a range of planned intentions for improving the way the Council works. Most of the proposed actions have been referred to above and are summarised in Exhibit 3 below with our assessment of progress which is broadly consistent with the Council's own assessment.

50 Success measures include progress on being in the top half of Welsh local authorities for a specific set of indicators for which good progress has been made (see below). Progress has been reported on reducing sickness absence and staff having appraisals but the overall percentage of outcome measures and actions that were on target for this objective in 2010-11 was reported as 55 per cent and below the target of 67 per cent. However, good progress has been made in many areas, as noted below.

Exhibit 3: Proposed activities in 2010-11 to 'improve the way the Council works'

The Council has made progress in most activities.

Improving the Council – main themes and activities	Progress
<b>Improvement theme: Strong governance and leadership for improvement</b>	
Conduct a review of democratic services and scrutiny structures.	Good progress
Improve management processes and accountability.	Good progress
<b>Improvement theme: High performance culture delivering value for money</b>	
Deliver a strategy for sustainable finance and assets.	Good progress
Deliver savings by streamlining support services and being more energy efficient.	Good progress
Deliver enhanced services and reduce paperwork and the demand for office space through the use of digital technology and innovative software.	Reasonable progress
Develop a new approach to workforce planning.	Some progress
<b>Improvement Theme: Outward looking</b>	
Deliver a collaboration agenda and major waste management collaboration projects.	Reasonable progress
Continue to implement local delivery agreements with partner agencies.	Reasonable progress
<b>Improvement theme: Community and people focused</b>	
Explore possibilities for extending local planning and developing the role of area elected member groups.	Good progress
Deliver the actions identified in our Equalities Plan.	Some progress
Commit to working together, with other public and voluntary sector agencies, in pursuit of common goals for the county.	Good progress
Produce a Community Engagement Strategy for the Council that will ensure local residents have a say in the planning and delivery of council services.	Reasonable progress

Source: Denbighshire County Council and the Wales Audit Office

**The Council is performing well against national performance indicators**

51 In the *Corporate Plan 2009-2012*, the Council made a pledge to become a ‘high performing council, close to the community’ and it has made steady progress towards this aim. Its target is to be in the top half of Welsh councils for performance in a basket of 19 indicators drawn from the National Strategic Indicators (NSIs), which all councils are required to measure. Whilst the indicators are not always good measures of outcomes for residents, they are drawn from across a range of services and do provide useful information on the delivery of services. They include indicators for: educational attainment for pupils aged 16; timeliness of issuing of statements of special educational need; support for potentially homeless households; affordable housing units provided; changes of school for children in care; and levels of waste that are recycled.

52 For 2010-11, the Council has achieved further progress towards its aim of having the performance of all of its chosen indicators in the top half of Welsh councils. There are three indicators where performance is below the average for Welsh councils. The three indicators in which the Council is performing below average are:

- the percentage of all pupils leaving education, training or work-based learning without an approved qualification;
- the percentage of pupils in local authority care leaving education, training or work-based learning without an approved qualification; and
- the percentage of reduction in carbon dioxide emissions in non-domestic building stock.

**Exhibit 4: Becoming a high-performing council**

The Council is performing in the top half of councils in Wales for 16 out of 19 indicators.

	2008-09 Baseline	2009-10	2010-11
<b>Below average</b>	9	5	3
<b>2nd quarter</b>	1	2	3
<b>Top quarter</b>	9	12	13

*Source: Denbighshire County Council*

- 53 The Council has made good progress in achieving improved performance in 2010-11 in the areas included in the *Outcome Agreement* with the Welsh Government. The Minister commended the strong performance of the Council and authorised the full payment under the agreement.
- 54 The Local Government Data Unit has identified Denbighshire as achieving the best overall performance of local authorities in Wales against a large group of 146 indicators for 2010-11.

**Improved arrangements are being developed to help the Council become ‘close to the community’**

- 55 The Council’s aim of being ‘close to the community’ was initially less well-defined and in the previous *Annual Improvement Report* we highlighted the need for the Council to more clearly express the success criteria for achieving its ambition to be close to the community, and to clarify the accountability and monitoring for this aim. During the last year, the Council has assigned responsibility for this area to a corporate director. He is developing additional success measures and has expected each department to review its own approach and to incorporate plans for closer community engagement in service plans. There will also be a challenge to progress in this work as part of the service review process.
- 56 Several developments will also help foster closer community engagement including work on local town plans, the work of Member Area Groups, and extended consultation and engagement on the budget and other activities.

- 57 Children and young people are part of the community the Council serves. In the previous *Annual Improvement Report* the Auditor General suggested that the Council should include children and young people in its consultations and engagement where appropriate. The Council has not included young people in the 2011 Residents’ Survey but has planned a range of other approaches including leaflets and online information collection and focus groups with student councils in schools and Denbighshire Youth Council. It is intended that these approaches should help inform future priorities. There was extensive consultation and engagement with young people in the development of *The BIG Plan 2011-2014*, the integrated community and strategic plan that has been developed with partners in the Local Service Board.

**The Council is adapting service delivery to meet the needs of an increasing number of older and disabled people and is beginning to address the wider demographic change agenda**

- 58 The Council’s *Corporate Plan 2009-2012* included the objective of ‘adapting service delivery to address demographic changes’. It noted that the population of Denbighshire was growing by about 1,000 people each year and the population was ageing. It said there was a need to attract young people and encourage Denbighshire’s young people to make a future in the county so that, over time, a more balanced population could be achieved. This would involve modernising education, having suitable housing available and using the *Local Development Plan* to outline the future infrastructure for residential, business and

service areas in the county. The initial priorities, however, were to be directed towards:

- independence and choice for older people – older people are able to live independently for longer;
- independence and choice for people with learning disabilities; and
- community wellbeing through initiatives for older and disabled people.

59 We found that the Council is adapting service delivery to meet the needs of an increasing number of older and disabled people, and is beginning to address the wider demographic change agenda.

#### **Arrangements to support independence for older people are being improved**

60 Assessing whether older people are able to live independently for longer is inherently difficult, and at present, the Council does not have the information needed to make such an assessment. Some of the current performance indicators do not provide the necessary evidence of improved outcomes. However, it has identified a range of actions to aid independent living that include increasing support for those who have had falls, hospital treatment or other situations through reablement services, improving supported housing options through 'extra care housing' and a review of services to those in sheltered housing, and increased use of telecare.

61 Other service changes include developing co-located health and social care locality teams, to tackle delays in occupational therapy assessments, and to provide increased support for carers are also aimed at improving support for older people to maintain their independence. The Council achieved good progress in most of its planned work in 2010-11. The CSSIW review<sup>1</sup> noted that multidisciplinary assessment is well-embedded in the Response and Rehabilitation Service and the Home Enhanced Care Service and in locality teams and this is aimed at providing a seamless, co-ordinated and timely response to people's needs.

#### **Progress is being made in supporting independence for people with learning disability**

62 The Council has increased both the number and rate of adults with learning disabilities who are supported in the community and there has been a small reduction in the number and rate of those supported in care homes. Developments which have assisted this progress include:

- person-centred planning for adults with learning disabilities;
- development of a new *Intensive Supported Independent Living* project for people with learning disabilities who have very complex needs;
- increased opportunities for work experience and paid employment opportunities; and

<sup>1</sup> The CSSIW Annual Review and Evaluation of Performance 2010-11. A summary is reprinted in paragraph 98 of this report. The full CSSIW review is available at: [http://wales.gov.uk/docs/cssiw/publications/LA\\_evaluation1011/111028denbighen.pdf](http://wales.gov.uk/docs/cssiw/publications/LA_evaluation1011/111028denbighen.pdf)



- arrangements for individual budgets and self-directed support.

63 Although some of these developments are new, not fully developed or not yet achieving their full potential, the Council is making progress in its aim to support independent living for people with learning disabilities.

**Progress is being made with the plans to support community wellbeing**

64 The Council is increasing the provision of community facilities that are available to meet the needs of an increasing population of older and disabled people. Six different activities were established in 2010-11 including Nordic walking groups in Prestatyn and Denbigh, and the *Passion 4 Life (My Life My Way)* programme in three locations with plans for four other towns.

65 Other activities through the Leisure Service include an over-60's free swim, aqua-aerobics and other activities designed to increase the level of physical activity. Some of the schemes are small-scale and newly formed but most have involved older people in the design and delivery of the services and are responding to local needs and aspirations.

66 The CSSIW review and evaluation noted that while the Council is confident that it is able to signpost people to a range of services, it does not have a robust means of determining if the signposting is effective in meeting people's needs. Consequently, it is unable to fully evaluate performance and to use this to inform future capacity planning.

**The Council has now developed a framework to co-ordinate and monitor activities to support the achievement of a more balanced population**

67 The 'People and Places Board' is the body that oversees the work on the Council's objectives to address demographic change and to support regeneration. For 2011-12, the Board has revised its structures and introduced a workstream on achieving a more balanced population. After careful discussion it has framed the intended outcome as being that 'more young people/families are retained in Denbighshire or attracted to the area. Older workers are supported to remain economically active and meet community needs'. A set of success measures and a programme of work are being developed. Projects include: developing internships, work experience placements and apprenticeships; increasing affordable housing; and feedback measures from young adults in residents' surveys.

68 The link between achieving a more balanced population and the impact of a much wider range of strategies and concerns is recognised by the Board. These include the quality of education, further education, health provision, and the effectiveness of strategies for economic regeneration to create employment opportunities. The *Local Development Plan* will also be a significant tool to support the objective. We found that some councillors considered that there may be an overemphasis on tackling the issues arising from the aging population which is being prioritised over helping and encouraging the younger population to stay or move to the area. The approach being developed by the People and Places Board will provide a framework to maintain and

monitor work to support achieving a more balanced population although it is too early to assess the impact of this work.

- 69 The Council has made good progress in the development of its *Local Development Plan*. This plan supports two key priorities – addressing demographic changes and supporting the ongoing regeneration of Rhyl. It has been highly contentious and was approved for submission to the Planning Inspectorate on the casting vote of the Chairman of the Council. There are further stages before the plan is finally adopted. At present, the *Local Development Plan* is a helpful base framework upon which the Council can further develop its regeneration strategy and build in actions to address demographic changes. It anticipates a major housing development at Bodelwyddan as part of the plans to provide additional housing in the county and to retain and attract residents.

**Progress is being made in supporting regeneration in Rhyl and in the economy of the county although further work is required to assess the level of activity and resources needed to achieve the Council's objectives**

- 70 The Council's improvement objective for 'regenerating our communities' has three intended outcomes:
- reducing socio-economic deprivation by strategic targeting;
  - supporting sustainable economic growth; and
  - reducing the rate of decline in the rural economy.

- 71 The Council's own assessment in its *Annual Performance Review* says that during 2010-11 the Council has been partially successful for the first and second areas and successful for the third outcome area.

- 72 We found that progress is being made in supporting regeneration in Rhyl and in the economy of the county although further work is required to assess the level of activity and resources needed to achieve the Council's objectives.

**Improved focus and leadership is being provided in tackling the regeneration of Rhyl but it is not yet clear whether the Council will have sufficient capacity, resources and commitment to achieve the ambitions it shares with partners for the town**

- 73 The Council is seeking to reduce high deprivation in the northern coastal strip – particularly in parts of Rhyl. This objective is also reflected in *The BIG Plan* priority that 'people and places in Rhyl benefit from regeneration activity'. The Council's *Annual Performance Review* notes that it has achieved its targets and action for 2010-11 in relation to reducing criminal damage, reducing numbers in poverty, continuing to support a number of projects (including the plans for a new bridge and harbour improvements at Foryd Harbour and the recently completed refurbishment of the Apollo Cinema complex), and increasing benefits and tax credit take up. There has also been good progress made by the Council in offering increased opportunities for vocational training and work experience in Rhyl, and this has contributed to improved progression rates for 16 and 17 year olds.

- 74 The Council has made less success in licensing houses in multiple occupancy and it now believes that its target of licensing 50 houses per year was too optimistic and consequently reduced the target for 2011-12 to 30. Nor has the Council met its aim of reducing the rate of Job Seekers Allowance claimants in Rhyl compared to elsewhere in Denbighshire. The level of claimants will have been affected by the general problems in the economy.
- 75 The size of the task of regeneration in Rhyl is daunting and the Council's influence is limited. Significant capital investment is required with major attractions and sites in need of improvement and development. The Council has been successful in achieving over £9 million Welsh Government and European Union capital funding for the Foryd Harbour development including a new cycle and footbridge. However, the expected costs have risen and the Council has agreed to increase its own contribution by up to £1 million. Some of the strategic approaches being taken by the Council, such as dealing with the houses in multiple occupation, are not fully accepted by some partners.
- 76 During 2010, consultants developed a *Strategic Regeneration Framework* for Rhyl with themes: 'economy and skills', 'people and communities' and neighbourhoods and places'.
- 77 Management accountability for the regeneration objective was reassigned in January 2011 following senior management restructuring. We found that this change had led to increased impetus and focus for the work at Rhyl. Some of this impetus has focused on the *Rhyl Going Forward* delivery plan which pulls together the various strands of existing work into a clearer and more focused framework.
- 78 The *Rhyl Going Forward* plan places its focus on improving 'neighbourhoods and places' rather than on an approach based on 'economy and skills' or 'people and communities'. This focus partly reflects the aspects the Council wants to prioritise given its limited resources, and partly recognises that other bodies and partnerships, such as the Rhyl City Strategy Community Company, have a lead in the other aspects.
- 79 As yet, the extent of the resources that are required from the Council, and other sources, to achieve the level of changes required have not been fully assessed. Some positive progress is being made with some private sector companies but the Council's Regeneration Team recognises that the Council needs to be more proactive to gather knowledge about markets and key developers, and to develop an overall vision or identity for Rhyl. They also need to improve skills in negotiating with private developers in order to attract investment. This is currently a major weakness in the Council's regeneration objective. It is not yet clear that the Council is able to provide sufficient staff and finance to be successful in working with others to achieve its regeneration ambitions.
- 80 The work in Rhyl is not automatically accepted as a high priority by councillors from other parts of the county who are more concerned with local 'town plans'. The Council intends to set out the different regeneration workstreams more clearly in a new regeneration strategy for Denbighshire in the coming months. The Council also recognises the need to clearly identify what support is required from all its services to

contribute to the implementation of the strategy, especially to the regeneration of Rhyl.

- 81 The *Rhyl Going Forward* delivery plan notes the establishment of a multi-agency co ordination and review group to ensure that development is integrated and co-ordinated across the three strategic themes. It is intended this group will produce an annual report on progress and keep track of changing needs and opportunities.
- 82 The Council has made significant commitment to the regeneration of Rhyl but has not yet developed a clear understanding of the financial and staffing requirements necessary to support the programme and how success will be measured. It would be helpful for a statement of the Council's resourcing and monitoring intentions to be drawn up to support the *Rhyl Going Forward* delivery plan.

**The Council has delivered many actions to support the economy of the county although some are small-scale initiatives**

- 83 The Council set itself a range of actions to support economic development and to reduce the decline in the rural economy and has successfully carried out many of these. However, some are small-scale initiatives which, whilst important, may not have a major impact.
- 84 The Council achieved its target for reducing the ratio of house prices to average earnings but this outcome may only reflect the economic problems leading to reduced housing prices. The target to reduce the level

of Job Seekers Allowance claimants compared to Wales was missed, but this indicator has fluctuated and may not be a reflection on the effectiveness of the Council's work to support economic growth.

- 85 The Council achieved its plans to reduce the rate of decline in the rural economy including exceeding targets to support micro rural enterprises and jobs created in such businesses.
- 86 More recent developments include work by Member Area Groups to tackle issues seen as affecting the local economy in some towns – for example, reducing parking costs in Ruthin.

**The Council reports that progress is being made to modernise the education service. The Council's performance will be reviewed in an Estyn inspection in early 2012**

- 87 The Council's objective is to modernise the education service to achieve a high level of performance across the county. It aims for Denbighshire to be in the top 10 performing authorities in Wales for key stage performance. The Council's plans included a range of actions which included reviewing primary school provision in some areas, improving school facilities, and ensuring consistent school self-assessments.
- 88 The Council reports that progress is being made to modernise the education service. The Council's performance will be reviewed in an Estyn inspection in early 2012.

### Estyn comments on recent performance

- 89 Estyn will be undertaking an inspection of local authority education services for children and young people during early 2012 and will assess the Council's performance across all areas of statutory education services.
- 90 Estyn has made the following commentary on recent performance:
- 'When a range of contextual information is taken into account, the performance of pupils in Denbighshire is above average in key stage 2 but below average in key stages 1 and 3. At key stage 3, half of the secondary schools are in the bottom 25 per cent when compared to similar schools. No schools are in the top 25 per cent. In key stage 4, performance is above average for all except one measure.
  - Performance in key stages 3 and 4, based on entitlement to free school meals, has failed to meet almost all of the Welsh Government benchmarks in the four years to 2010. Benchmark information for 2011 is not yet available.
  - When contextual information is taken into account, attendance in secondary schools is just above average. Permanent exclusions from schools have reduced significantly. However the rate of exclusions of five days or less is among the worst in Wales.'

### The Council has reported progress is being made towards its objective of modernising education

- 91 The Council has reported that it has successfully completed a range of planned actions including:
- progress with primary school reorganisation in Prestatyn and Edeymion areas;
  - a number of regional collaborations to support the *School Effectiveness Framework* have been identified for development; and
  - a review of the Foundation Phase arrangements has been completed, good practice identified and changes in practice for teaching staff have been implemented.
- 92 The level of attainment by pupils has generally improved during the period of the corporate plan but not consistently across all key stages, and in some cases, not as fast as the average improvement in Wales – see [Exhibit 5](#).

## Exhibit 5: Pupil attainment at key stages

Pupils' attainment has improved but is not in the top 10 authorities in Wales in all key stages.

Indicators of success	Actual 2009-10	Actual 2010-11	Actual 2011-12	Rank in Wales	Top 10?
Raise the percentage of pupils achieving the Core Subject Indicator at key stage 1 (age 7)	83.2	82.4	79.8	18	x
Raise the percentage of pupils achieving the Core Subject Indicator at key stage 2 (age 11)	76.8	78.1	82.3	5=	✓
Raise the percentage of pupils achieving the Core Subject Indicator at key stage 3 (age 14)	59.8	63.9	65.5	17	x
Raise the percentage of pupils achieving the Core Subject Indicator at key stage 4 (age 16)	46.1	43.3	51.3	8	✓
Raise the percentage of pupils achieving 5 A* to C (threshold 2) at age 16	55.9	59.2	71.4	5=	✓

Source: Welsh Government

### The capital programme to improve roads and flood defences is being delivered and further major work is planned

- 93 The fourth Denbighshire improvement priority is 'securing a sustainable road network and flood defences'. In his previous *Annual Improvement Report*, the Auditor General advised that the Council should set clearer outcome measures for improving roads and flood defences. The Council has accepted that its measures were too narrow and has introduced a range of additional measures for 2011-12. These provide measures to assess road safety and local road conditions.
- 94 We found that the capital programme to improve roads and flood defences is being delivered, and further major work is planned.

### Additional funding is being used to improve the condition of roads and progress is being made on road safety and network management

- 95 The Council has reported that it did not meet its targets for improving the condition of roads in 2010-11 and the trend of deterioration in the condition of roads continued. However, the data process used to provide the information for the target does not fully include unclassified and 'c' roads, and there is also a time delay in the collection of data. The data therefore provides an incomplete picture of the work carried out. The Council spent some £6.9 million on highways and completed its planned capital maintenance programme. Concern from the public about the condition of roads and awareness of the Council's performance contributed to the decision of the Council to identify additional funding for roads maintenance in 2011-12.

Part of the £1.5 million identified to invest in council priorities has been used to enable prudential borrowing of approximately £7 million for major highways works. New equipment has also been purchased. New indicators have been developed to provide more comprehensive information about the condition of the roads network in the county.

- 96 The safety of roads, one of the reasons for keeping them in good condition, is now being actively monitored by the Council through measures for skid resistance, accidents per kilometre, take-up of cycle and safety training, and insurance claims.
- 97 Another aspect of improving roads and highways is the contribution made by street lighting, response to infringements and the need for repairs. The Council performs well in these areas and Denbighshire's street lighting team won the Best Service Team: Highways, Winter Maintenance and Street-lighting award from the Association of Public Services Excellence. The team is a joint team with Conwy County Borough Council.
- 98 The Highways and Infrastructure service is a jointly managed service with Conwy County Borough Council with teams and elements of the service becoming increasingly integrated. The internal audit services of the two councils are planning to undertake a review of the effectiveness of these partnership arrangements in 2012.

**The Council is reducing the risk to properties through flood relief schemes in several towns**

- 99 The Environment Agency has the overall responsibility for flood defences but councils have a key role to play in protecting their communities. The Council's objective is to

reduce the number of properties at risk of flooding. The Environment Agency, in their report *Flooding in Wales: A national assessment of flood risk*, September 2011 says that Denbighshire has approximately 3,000 properties at significant risk of flooding and about 14,000 further properties at moderate or low risk. The Council aims to reduce the risk of flooding for 1,575 high-risk properties during 2009-2012 largely through the completion of flood defence schemes at Llangollen, Denbigh, Corwen and West Rhyl. The schemes are largely funded through government grants. The Llangollen and Denbigh schemes have been completed although the Denbigh scheme was later than planned as a result of difficulties with contaminated ground and poor tunnelling conditions. These schemes have reduced the risk of flooding for 995 properties.

- 100 The Corwen scheme has been delayed following changes to the plans and delays in grant approval. However, work has commenced on the West Rhyl coastal defence scheme.
- 101 The Council has introduced a new performance measure for the percentage of properties with a high risk of flooding where the risk has been reduced – this measure suggests that the 995 properties to have benefited to date are approximately seven per cent of the properties at high risk.
- 102 The Council is making progress on reducing the risk of flooding although the improvement plan and other documents do not set out the extent of risk reduction it is seeking to achieve over a longer period.

**The Council is delivering improved social care, housing and waste management services for residents but further improvements can be made**

103 We also considered the progress of the Council in other services areas. We found that the Council is delivering improved social care, housing, and waste management services for residents but further improvements can be made.

**Improvements have been made to aspects of social services for adults and children but further improvements can be made**

104 The CSSIW issued a letter to the Council, in October 2011, in response to the Council's Directors Report for 2010-11. The CSSIW summarised its evaluation as:

- 'Denbighshire County Council has a vision to become 'a high performing council, closer to the community'. Developments within social services, such as the introduction of a locality team model in adult services and a wide variety of consultation and engagement activities across both adults and children's services are supporting the Council's ambition to make services more accessible to all local citizens. A review of the effectiveness of the engagement activity is planned by the Council for the coming year.
- Adults and children's services have been restructured during 2010-11 and new models of provision and intervention introduced. One of the Council's priorities is to use performance data and management intelligence to evaluate the effectiveness of the changes.

- Progress has been made in most of the development areas identified last year but there remain two specific areas in children's services the re-referral rate and the undertaking of statutory visits to looked after children where sufficient improvement has not yet been demonstrated. The Council needs to maintain continued focus on achieving further progress. In addition the Council needs to demonstrate that it's arrangements for the review of children in need are effective and that children's needs are being met.'

**There have been improvements in safeguarding arrangements and children's services**

- 105 The Council's *Annual Performance Review* includes a section on 'safeguarding and child protection'. This report notes that a *Referral and Assessment Project* had been set up to address performance issues for undertaking initial and core assessments. This project led to improved performance in these areas but, as noted by the CSSIW, the rate of re-referrals and the undertaking of statutory visits are areas where sufficient improvement has not taken place.
- 106 The Safeguarding and Reviewing Unit takes responsibility for managing child protection cases and achieves good performance in holding timely reviews of cases. However, the CSSIW notes that the holding of initial child protection conferences and meetings require further improvement.
- 107 Denbighshire and Conwy share a joint Local Safeguarding Children's Board and has a board quality assurance framework in place.



108 The CSSIW review noted that the Council had made additional resources available to the Protection of Vulnerable Adults (POVA) service and that funding had contributed to improved monitoring of POVA action plans. Plans are progressing to integrate the Denbighshire and Conwy Adult Protection Committees.

**Housing services are generally good but arrangements for provision of adaptations needs to improve**

109 The Council continues to be one of the few local authorities in Wales which anticipates meeting the Welsh Quality Housing Standard for its housing stock by the end of 2012. In addition, the Council also achieved the second highest rate of affordable homes delivered per household population in Wales in 2010-11 with a total of 154 homes being completed.

110 The Council is making satisfactory progress on housing services action plans but performance in providing adaptations using disabled facilities grants is worsening. Further, the Council has overspent its budget for homelessness expenditure and has no action plans in place to improve performance.

111 The Council continues to manage arrangements for housing benefit and council tax benefit in a satisfactory manner. New claims and changes of circumstances are administered more quickly, on average, than for most councils in England and Wales with above-average accuracy. The cost of processing claims is very close to, but slightly below, the average for Wales.'

**Waste collection and recycling rates are excellent although overall costs have been above average**

112 The Council continues to have excellent waste collection and recycling rates, with 55.1 per cent of municipal waste prepared for reuse and/or recycled in 2010-11 compared to the Welsh average of 42.8 per cent. However, the overall cost of providing waste services in 2009-10, the last year for which comparative data is available, is above average in comparison with other local authorities.

## The Council is making good use of self-assessment and improved performance evaluation in its arrangements to deliver and improve services

113 This section considers how effective the Council is in understanding and managing its progress through the effective use of information, performance management arrangements and self-assessment. We found that the Council is making good use of self-assessment and improved performance evaluation in its arrangements to deliver and improve services.

**Senior officers and councillors have a good understanding of their progress and self-assessment is developing well but this is not fully reflected in the Annual Performance Review**

114 Councils are required to undertake self-assessments through an annual review of governance arrangements, the publication of an annual report on performance and the annual report of the Director of Social Services. Other self-assessments are required in preparation for regulatory inspections, and at the request of Ministers. The senior officers and councillors have a good understanding of the performance of the Council in its key objectives and an understanding of what it is doing to improve its prospects of further improvement.

115 Self-assessment in Denbighshire is developing well. It is assisted by:

- being an integral part of the Council's improvement processes;
- a developing focus on outcomes for citizens, although effective outcome measures are not yet in place for all objectives;

- an open culture in which weaknesses are largely acknowledged rather than denied and acted upon without undue fear or blame;
- a robust and evolving framework including twice-yearly performance challenge meetings for each service and balanced evidence reporting; and
- good governance arrangements, improved public engagement and effective work with peers and external audit, inspectorates and regulators.

116 The Council has also made self-assessment an integral part of their service challenge arrangements and more recently all departments have undertaken a self-assessment of their arrangements for being 'close to the community'. A recent council assessment of the effectiveness and value for money of additional funding provided to schools to improve attainment is a further contribution to their understanding of performance and value for money.

117 The rigour of the self-assessments undertaken by the Council is generally good. However, whilst the Council's review of its governance arrangements and the *Annual Governance Statement* provided a thorough review of whether arrangements were in place, it was limited in its assessment of the effectiveness of some of the arrangements.

118 However, the Council's self-understanding of its overall performance is not always reflected explicitly enough in documents for the public. The Council's *Annual Performance Review*, 2010-11, contains extensive useful commentary on the performance of the Council and fulfils the Council's

responsibilities to discharge its statutory duties for reporting on its performance. But it lacks clear statements of the overall progress made by the Council under each improvement objective.

119 The Council's *Annual Performance Review* includes:

- information on the arrangements for assessing and challenging performance;
- evidence of performance as measured by national indicators and completion of intended actions;
- comparison against Welsh average and quartiles for national indicators;
- a description of progress and achievement against nine sub-objectives of the four outward-facing improvement objectives although some of these are too limited to performance indicator information;
- a summary of developments in safeguarding and children protection and on the protection of vulnerable adults; and
- information on the impact of the implementation of actions to support its priorities in each of the six community areas of Denbighshire.

120 However, weaknesses include:

- a lack of overall evaluative statements against the improvement objectives, which weaken the overall effectiveness of the report; and
- some evidence sources are not used including some external review findings and comparisons against other relevant councils in Wales and elsewhere.

121 The Council has sought to publicise the performance review to partners and the public through a publications strategy. This approach demonstrates its commitment to becoming 'close to the community'.

#### **Good Practice Publicising the *Annual Performance Review***

The Council developed a publication strategy including:

- placing the review on the Council's website;
- placing hard copies of the report in all receptions, one-stop-shops and libraries;
- circulating the review to partners/stakeholders;
- issuing a press release summarising the main findings and pointing people to where the report can be found; and
- publicising the report via Twitter and Facebook.

There are some weaknesses in the reliability of performance information although the Council is continuing to improve the sets of success criteria that are used

- 122 The Wales Audit Office undertook an audit of the performance indicator data for the NSIs and a small group of other indicators. The audit found that the quality of council data was generally satisfactory. However, four indicators, three NSIs and one local indicator, were identified where the end-of-year data needed to be amended. For one indicator, there were reservations about the final out-turn information.
- 123 Monitoring and managing performance requires accurate performance information to be available. The Council's reporting is generally satisfactory but the performance monitoring report for the first quarter of 2011-12 identified a number of new measures and indicators for which baseline information was not established and also indicators for which there were data quality problems. These include:
- the number of reablement service users no longer requiring care;
  - participation in disability sports sessions;
  - the percentage of clients aged 65+ supported in the community; and
  - insurance costs per kilometre of roads network.
- 124 These data problems will weaken the effectiveness of performance monitoring during the year.

# Appendices



## Appendix 1

### Status of this report

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

This report has been produced by the Auditor General to discharge his duties under section 24 of the Measure. The report also discharges duties under section 19 to issue a report certifying that he has carried out an Improvement Assessment under section 18 and stating whether, as a result of his improvement plan audit under section 17, he believes that the authority has discharged its improvement planning duties under section 15.

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

The annual Improvement Assessment is the main piece of work that enables the Auditor General to fulfil his duties. The Improvement Assessment is informed by a forward-looking assessment of an authority's likelihood to comply with its duty to make arrangements to secure continuous improvement. It also includes a retrospective assessment of whether an authority has achieved its planned improvements in order to inform a view as to the authority's track record of improvement. This report also summarises the Auditor General's conclusions on the Council's self-assessment of its performance.

The Auditor General may also in some circumstances carry out special inspections (under section 21), in respect of which he will provide a report to the relevant authorities and Ministers, and which he may publish (under section 22). The Auditor General will summarise audit and assessment reports in this published Annual Improvement Report (under section 24). This will also summarise any reports of special inspections.

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

## Appendix 2

### Useful information about Denbighshire and Denbighshire County Council

#### The Council

Denbighshire Council spends approximately £222 million per year (2011-12). This equates to about £2,281 per resident. In 2010-11, the Council also spent £38 million on capital items.

The average band D council tax in 2010-11 for was £1,232 per year. This increased by 3.06 per cent to £1,270 for 2011-12. Eighty-four per cent of Denbighshire's housing is in council tax bands A to D.

The average band D council tax is the sixth highest in Wales although recent annual increases have been below average and the council tax level had previously been third highest in 2008-09.

The Council is made up of 47 elected members who represent the community and make decisions about priorities and use of resources. The Leader is Councillor Hugh H Evans OBE. The political make-up of the Council is as follows:

- 18 Conservatives
- 10 Independent
- 8 Plaid Cymru
- 5 Labour
- 3 Independent First
- 1 Welsh Liberal Democrats (Independent)
- 2 not affiliated

The Council's Chief Executive is Dr Mohammed Mehmet and his management team includes:

- Corporate Director: Demographics, Wellbeing and Planning – Sally Ellis
- Corporate Director: Business Transformation and Regeneration – Bethan Jones
- Corporate Director: Learning and Communities – Hywyn Williams

## Other information

The Assembly Members for Denbighshire are:

- Ann Jones, Vale of Clwyd, Labour Party
- Darren Millar, Clwyd West, Conservative Party
- Ken Skates, Clwyd South, Labour Party

Regional Assembly Members:

- Llyr Huws Gruffydd, Plaid Cymru
- Mark Isherwood, Welsh Conservative Party
- Aled Roberts, Welsh Liberal Democrats
- Antoinette Sandbach, Welsh Conservative Party

The Members of Parliament for Denbighshire are:

- Chris Ruane, Vale of Clwyd, Labour
- David Jones, Clwyd West, Conservative
- Susan Elan Jones, Clwyd South, Labour

For more information see the Council's own website at [www.Denbighshire.gov.uk](http://www.Denbighshire.gov.uk) or contact the Council at County Hall, Wynnstay Road, Ruthin, LL15 1YN. Telephone: 01824 706000.



## Appendix 3

# Annual Audit Letter to the Members of Denbighshire County Council

The auditor appointed by the Auditor General issued the following auditor's letter on 29 November 2011.

### **Annual Audit Letter to the Members of Denbighshire County Council**

As you will be aware the Auditor General for Wales will be issuing an Annual Improvement Report (AIR) to each local authority by the end of January 2012 and some of the issues that were traditionally reported in the Appointed Auditor's Annual Audit Letter will be included in that report. Therefore I have taken the opportunity to summarise the key messages arising from the Appointed Auditor's statutory responsibilities into this short letter which forms the Annual Audit Letter. The letter is designed to be a standalone document, but will also be presented to the Council and the public as part of the AIR and therefore discharges my reporting responsibilities under the Code of Audit Practice.

### **Denbighshire County Council complied with reporting requirements relating to its financial performance and use of resources**

It is Denbighshire County Council's (the Council) 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 its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

On 30 September 2011 I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Council's financial position and transactions. My report is contained within the Statement of Accounts.

From 2010-11 local authorities in Wales were required to produce their accounts on the basis of International Financial Reporting Standards (IFRS). The introduction of these new standards imposed significant additional demands on the Council's finance staff. A consequence of these demands was that the accounts were received three days after the statutory deadline. However, the accounts and associated working papers when received were of a good standard reflecting the significant amount of work undertaken by finance team staff to prepare them on an IFRS basis for the first time.

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

My review of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government Measure (2009). While the main findings from this latter work will be set out in the AIR, in our letter of 1 June 2011, we brought the following matter to the attention of the Chief Executive:

- The Council is well placed to address its financial challenges, although the scale of change required will continue to require clear leadership and direction. The Council is taking appropriate steps to put a medium-term financial plan in place. The clear Council priorities, the 'service challenge process' and the consultation and engagement arrangements contribute to this process. As a result, an effective medium-term approach to financial management is being developed and resources are being applied to the priorities.

I issued a certificate confirming that the audit of the accounts has been completed on 30 September 2011.

The financial audit fee for 2010-11 is currently expected to be in line with those set out in the Annual Audit Outline.



Derwyn Owen

For and on behalf of the Appointed Auditor

29 November 2011

## Appendix 4

# Denbighshire County Council's improvement objectives and self-assessment

### Denbighshire County Council's improvement objectives

The Council is required by the Welsh 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.

The Council's *Corporate Plan 2009-2012* was developed around four corporate priorities (concerned with service delivery) and four improvement themes (concerned with development of the organisation's capacity). In 2010, the Council set five improvement objectives for 2010-11, four of which related to the existing corporate priorities, and one of which was a rationalisation of the four improvement themes. The Council retained these objectives in 2011-12.

The Council published its improvement objectives in *Delivering the Corporate Plan 2010-11* which can be found on the Council's website at <http://www.denbighshire.gov.uk/en-gb/DNAP-7UWEMU>. They are:

Denbighshire's improvement objectives for 2010-11 and 2011-12	
1	Adapting service delivery to address demographic changes.
2	Reducing deprivation and growing Denbighshire's economy sustainably by strategically targeting resources.
3	Modernising the education service to achieve a high level of performance across the county.
4	Securing a sustainable road network and flood defences.
5	Improving the way the Council works.

### Denbighshire County Council's self-assessment of performance

The Council's self-assessment of performance can be found in its *Annual Performance Review, 2010-11*, which is available from the Council and from their website at:

<http://www.denbighshire.gov.uk/en-gb/DNAP-7UWEMU>.

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