



Commission on Public Service Governance & Delivery

Service Provider Consultation – Denbighshire County Council

Performance

1	<p>Does your organisation collect the right information to support and improve the services you deliver?</p> <p>This has been an area of significant improvement over the past three years. The council has strengthened its corporate performance management arrangements and we have become more robust about challenging the relevance of performance information that is collected and analysed for our Corporate and Service Plans. We have an experienced corporate team who work closely with performance specialists within services to discuss and agree the range of information that is required to understand need within our communities and to understand our success in delivering outcomes for our communities.</p> <p>During the past 12 months, we have concluded that we lacked capacity in terms of turning the information we collect in “intelligence” to inform our decision making. We have therefore re-structured our Corporate Improvement Team to create a new Research & Intelligence function. Part of the role of this new team is to identify intelligence gaps and to provide solutions to fill those gaps. One of the early successes of that new team has been to improve the range and quality of intelligence considered as part of our Service Performance Challenge process. In addition to a service self-assessment and a performance report, each challenge meeting is now also supported by a “needs & demand” report (to help understand changes to service demands) and a comparative report (to help understand quality and value for money).</p> <p>A substantial amount of work has been undertaken to understand exactly what information is required in order to understand our success in delivering the outcomes within our Corporate Plan 2012-17. Much more work has been invested in this process than ever before, and we are confident that a wide range of relevant information is being utilised. We are not looking solely at traditional performance indicators, but we are using a broad range of population indicators, performance measures and customer satisfaction measures to inform our analysis. We are confident that everything we collect to support our Corporate and Services Plans tells us something useful about an outcome or about our contribution to delivering an outcome.</p> <p>Of course, some data are still collected simply to comply with legal or regulatory requirements, and failure to do so could result in sanctions from our external regulators. We do not always use this data as it is not always relevant to driving service improvement or to delivering outcomes for our communities. Indeed, we</p>
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	<p>do not even feel that all of the National Strategic Indicators are relevant or useful, and we only collect some of these in order to comply with the national reporting requirements, information on bus passes for example. Although the collection and reporting of such data is time-consuming, it hasn't really resulted in the council feeling the need to divert resources to improve performance in those areas we feel are less important to our communities. However, we are concerned that the new arrangements for Outcome Agreements, whereby 50% of the grant will rely on our performance against the National Strategic Indicators, not only encourages local government to increase its focus on such data, but it actually encourages councils to shift resources to improve performance for indicators that do not necessarily reflect the needs of our communities.</p> <p>In addition to the National Strategic Indicators, there are many other national demands for data, such as Service Improvement Datasets (SIDs), which require a great deal of resource to collect and report. Despite several attempts to improve the relevance of these datasets, we feel that much of this data doesn't help us to understand whether we are delivering outcomes for our communities. We feel that there is too much demand for data at a national level, and that the various reporting requirements have created an industry in data collection. This industry of disaggregated performance measures being collated and reported to different bodies, at different levels, throughout Wales, can result in a loss of focus about what is important in performance terms.</p>
2	<p>How does your organisation manage its performance to improve delivery?</p> <p>The council uses performance data, research and intelligence to inform decisions about priorities at all levels of the organisation. For example, a comprehensive needs assessment and performance analysis exercise was undertaken to underpin the discussions to identify priorities for the council's Corporate Plan 2012-17. An understanding of the different levels of improvement required for each corporate priority also guided the discussions about funding the Corporate Plan, and specific amounts of money were set aside (in-principle) for projects necessary to deliver those improvements. A similar approach is taken at the service planning level, where data relevant to service priorities are analysed to inform decisions about service organisation, delivery and resource prioritisation.</p> <p>Performance data are utilised during the Service Performance Challenge process to debate and agree where current and future priorities should lie. Each service has a Service Performance Challenge each financial year, and information and evidence (self-assessment; data analysis; research; and intelligence) provide the foundation for those challenge meetings. The council has developed a very healthy relationship, based upon constructive challenge and support, between officers and Members. Our Service Performance Challenge meetings are an honest and open discussion about finding ways to improve quality, efficiency and performance. The Wales Audit Office forms part of the panel for each meeting, and this provides a useful external perspective and strengthens the challenge process.</p>



Over the past 2 years, the council has moved away from a traditional “target-setting” approach and now uses a model based on “excellence”. The traditional approach was capable of telling us whether we had met our targets, but it was unable to tell us how good we were. Performance reports would show plenty of “green” if targets were met, but they did not necessarily provide the reader with the context of comparative performance without including huge amounts of additional data or graphs which can make such reports complex and inaccessible. People instinctively like to meet targets, and this approach therefore tends to result in unambitious target-setting as people set targets according to what they feel comfortably able to deliver in the short-term. Our model starts from a discussion about what “excellence” looks like for each area of performance. Our default position is that “excellence” equals being in the top quartile in Wales (for nationally collected data), but the legitimacy of this default position is challenged in all cases, and other benchmarks (such as “best in Wales” or “average in UK private sector”) are used when it is clear that the top quartile in Wales cannot be classed as “excellent”. Our model therefore relies on comparative data, and it challenges us to seek out the most appropriate comparators for each performance area. We often use family groups of similar local authority areas rather than automatically using all of Wales for comparison. We also identify an “intervention” for each indicator and performance measure, and this is the point at which we report the area as “red” and it is defined as a “priority for improvement”. The intervention is the point at which we would feel the need to “intervene” in an attempt to improve the position of this indicator or performance measure. The default position for “intervention” is being below the Wales median. The difference between the “excellence threshold” and the “intervention” is divided into 2 sections to provide 4 reporting colours to help us understand how good our current position is. The following definitions are applied to those 4 colours:

Performance Status	Definition
Green	The current position is excellent
Yellow	The current position is good
Orange	The current position is acceptable
Red	The current position is a priority for improvement

This system is more sophisticated than a traditional target-setting approach because: a) it forces us to consider comparative data when setting the excellence thresholds and interventions; and b) it enables readers of our performance reports to understand how good our current position is rather than whether we have exceeded an arbitrary target. It is also a much simpler approach as it enables the audience to understand how good the current position is by looking at a colour rather than having to interpret a complex table of data or an associated graph. The hard work is undertaken in the background, by officers and lead Members, so that the audience can benefit from simple, concise and meaningful performance reports.



	<p>The additional benefit of our excellence-based approach is that politicians have a much greater understanding of our performance, and are therefore able to use performance data much more effectively to inform and scrutinise service delivery and decisions. In the past, services have been challenged by scrutiny for missing particular targets when that area of performance may still have been “excellent”, whereas other areas that had met their targets were ignored by scrutiny even though performance was poor. That simply wouldn’t happen now because politicians understand the context of our performance, and are involved in the discussions about the point at which our performance would become a “priority for improvement”. This ensures that Lead Member and scrutiny time is spent looking at the most important areas.</p> <p>The role of Elected Members in managing performance is crucial, and we have the structures and practices in place to maximise the effectiveness of Members in the process. Lead Members have clear objectives, which are set in discussion with the Leader, and which make them more accountable for performance and delivery. We also have a cross-cutting Performance Scrutiny Committee, and individual members of the committee are aligned to council services to enable them to increase their knowledge of that service, and to provide more effective scrutiny.</p>
3	<p>Is your organisation delivering for your users?</p> <p>The council has embraced an outcomes-based approach to strategic planning and service delivery, and we have a model based upon results based accountability (RBA). Corporate and service plans are built around delivering positive outcomes for our communities, and we are only concerned with identifying service outputs which will have a positive impact on those outcomes. The benefit of the RBA approach is that, if we find that outcome indicators are not improving even though performance indicators are positive, we are then able to challenge whether we are pursuing the most effective service outputs. The split between outcome indicators and performance measures makes it much easier to understand whether the work we deliver has a positive impact on outcomes for our communities.</p> <p>Delivering services to meet the needs of all users (e.g. Welsh language, multiple channels, equality of access) is a challenge and it often requires additional resource. This will therefore become an increasingly bigger challenge over the next few years as resources become increasingly scarce. We are confident that we can successfully deliver bi-lingual services for our residents, and we are currently undertaking a lot of work around channel shift as part of our Modernisation Programme which will open up new options for users. We have also been working hard over the past year to ensure that Equality Impact Assessment is used to inform council decisions and service delivery, and there is evidence that this is now becoming more embedded within the day-to-day business of the council.</p> <p>We are getting better at understanding how to collect and use data about</p>



	<p>customer perceptions to inform our planning and decision-making. Our new research and intelligence function has increased our capacity to do this effectively. We conduct a bi-annual Residents' Survey of 6,000 households to help us understand perceptions about Denbighshire as a place; the council; and the universal services we provide for residents. Services collect user feedback about services provided for, and used by, specific user groups, and this information forms part of the strategic planning and Service Performance Challenge processes.</p> <p>One area we may be able to improve on is the way we report performance data to the public. Although all our corporate quarterly performance reports are publicly available on our website, they are probably not easy to find as they are included within papers to Cabinet and our Performance Scrutiny Committee. The only performance we currently make available on main part of our website is our Annual Performance Report. We also make hard copies of this report available in our council reception areas, libraries, and one-stop shops.</p> <p>Performance reports can be fairly technical documents, and there are national requirements for what must be included in our Annual Performance Report. This makes it difficult to write the report in such a way that will be accessible to the public. However, the "excellence" model, described earlier, does have the benefit of enabling us to produce more concise reports that are hopefully more meaningful to the public as well as council officer and politicians. The increased understanding of performance management among Councillors since the introduction of the excellence model has increased public accountability because those councillors are there to represent the general public. Our Corporate Plan 2012-17 is a very clear, concise and public-friendly document with clear messages about the priorities for the council during the next 5 years. The clarity of the Corporate Plan will also enable us to produce performance reports that are much more meaningful to the public in future.</p> <p>The Ffynnon performance management system has not helped us to report performance information to the public. We believed that Ffynnon would allow us to very easily create dashboard reports which could be published on our website. However, the amount of time required to create and maintain such dashboard reports made it virtually impossible to do. We hope that the new solution currently being procured by the Welsh Government (Pan) will offer a better solution and will also be affordable to the council. However, it is not currently clear what functionality that new system will provide, and it is not clear how much (if anything) it will cost the council to use. We are therefore looking at other options in case Pan proves to be too expensive to use or does not meet our needs. Our new website, due to be launched this autumn, will help to increase our accountability to the public by enabling us to easily report more performance information to the public.</p>
4	<p>How has working with others delivered services for users?</p> <p>The council works effectively with others to deliver services for users, and this is</p>



	<p>particularly evidenced by the BIG Plan, Denbighshire's Single Integrated Plan. This demonstrates that it is possible to work with partners to identify common strategic priorities for the county, and to deliver benefits for communities. The North Wales Public Sector Equality Network again demonstrates that it is possible to develop and agree common high-level objectives across the region, and for each individual organisation to effectively contribute to the delivery of those objectives. The new School Improvement arrangements are an example of the creation of a new regional structure which should improve service delivery, though this has not been a simple task for the six authorities involved.</p> <p>Sub-regional service collaboration has proven to be much more difficult than originally anticipated, with practical barriers (such as different ICT systems), and different political and governance structures as well as different expectations to consider. The complexity involved in delivering collaborations can actually have a detrimental impact on service delivery and performance as so much time and energy is focussed on overcoming the political and operational barriers.</p> <p>Partnership working is extremely complex, and it requires significant resources to coordinate it effectively. Clearly there is considerable benefit in working with other public and third sector organisations to deliver related outcomes for our communities, but work is still required to simplify strategic partnership structures. Denbighshire has made significant progress in this area, reducing the number of partnerships and increasing their focus, but there is more work required. Local efforts to reduce the complexity of the partnership landscape are sometimes undermined by WG sponsored initiatives that require new local and regional fora (e.g. Communities 1st).</p>
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Scale and Capability

1	<p>What is the evidence that an organisation's ability to deliver its key functions is related to its size?</p> <p>It seems obvious that larger organisations should enjoy lower overheads and unit costs and should find it easier to redeploy resources when under financial pressure. By corollary a large number of small units are more costly than a smaller number of large units, and assuming all other factors are equal, larger units should deliver better value for money to residents.</p> <p>However, it is far from certain that larger organisations in Wales are actually better at delivering high quality services to residents. Equally, smaller organisations can be very good at delivering high performance and resident satisfaction.</p> <p>The debate about scale, therefore, is a complex one and should include standards and quality as well as cost.</p> <p>Denbighshire County Council is an interesting case study because its history from 2008 to 2013 demonstrates some critically important learning that should be</p>
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considered in the debate about the importance of scale:

1. A small organisation can be quickly mobilised around a strong vision for improvement;
2. A small but failing organisation can be improved relatively quickly and perhaps a lot quicker than a large but failing organisation;
3. It's difficult to hide incompetence in a small organisation because a drive to improve cannot carry people who are not up to the job; 'large is good' could become code for 'we can throw money at problems rather than tackle them'.
4. Leadership capacity can be strong, if leaders are creative about how leadership is distributed;
5. Small organisations can be amongst the highest performing;
6. Culture is the key to a successful organisation and it is easier to change and to maintain in a smaller organisation.

Furthermore, there doesn't appear to be convincing evidence across the Wales public sector that larger organisations are in reality better value for money or, more importantly, outperform smaller organisations. Conversely, there are examples of large organisations that appear unable to control budgets or deliver performance targets. There doesn't appear to be any evidence to suggest that a larger organisation will have better leadership or capacity to improve.

The ability of an organisation to be innovative or be able to deploy research and technology is not dependent on its size, but rather the creativity of its leaders. These activities are probably best commissioned rather than directly managed in any case.

There are evidently a number of small councils that are poorly performing, but that poor performance is far more likely to be a result of poor leadership than about the size of the organisation. Denbighshire County Council was a 'failing' organisation in 2007/8 but is now one of the highest performing in Wales. Its size hasn't changed: its leadership and culture has.

There doesn't appear to be a direct relationship between the size of an organisation and its effectiveness, although intuition would suggest that any organisation that aspires to provide a range of public services must be of a 'certain size' – i.e., it's possible to be too small or too large. Perhaps the best way of judging what is an appropriate size is to examine the outcomes rather than the inputs: if an organisation is well lead and is delivering good outcomes for its residents then it's the right size.

The real question isn't whether small is better than large, but rather *'how can Wales reduce the cost of the public sector and improve standards at the same time?'*

Reducing the number of public sector organisations should be a stated objective because it is clear that larger units can be more cost efficient, but we must start by accepting that being large, does not by definition produce benefits. In fact, unless the scaling up process is backed by a vigorous efficiency drive, which has



	<p>to include a large number of job losses, it would not even deliver significant savings but more likely produce highly inefficient and much more difficult to manage organisations.</p> <p>Cost reduction is vital and necessary to our progress, but this isn't the main challenge for the public sector in Wales; improving performance is. In fact we could organise the public sector in larger units pretty quickly and crudely, but perhaps also disastrously, unless the scaling up process can be built on strong leadership and high performance.</p> <p>If we are to 'scale up' then our business case must convince that the main drivers will be the growing of good leadership and high performance as well as certainty that the anticipated savings will actually be realised.</p> <p>2. What functions and services are most effectively delivered at which level?</p> <p>We think that the current configuration could usefully be reviewed. There is a mismatch between Community Health provision organised on a regional level and Social Care on a County basis. A closer alignment in terms of organisational scale, perhaps on a two county footprint, would aid the current efforts towards promoting integration between health and social care services.</p> <p>Other functions could more usefully be delivered on a regional level, an example would be Regeneration/economic development where the need to establish the North Wales Regional Ambition Board reflects this shortfall. The same issue applies to Planning which is currently undertaken on a County basis. Having six separate LDPs in North Wales does not adequately address the strong regional drivers.</p> <p>A more strategic approach is required from Welsh Government on this issue.</p> <p>3. Does the current number and structure of organisations provide value for money?</p> <p>As above, there is a clear mismatch in scale in some critical public service functions that leads to inefficiency. There may also be too many of some organisations, for example, we have 37 separate Town & Community Councils in Denbighshire.</p> <p>In the context of serious financial constraints, we should be looking to reduce the number of smaller public sector organisations and create larger ones.</p>
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Complexity

1.	To what extent is there organisational overlap?
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There is certainly a degree of organisational overlap in North Wales. Examples would be in Food Standards, sports provision, tourism, regeneration and Transport. There is also overlap in some key areas of service delivery: support for vulnerable young people, tackling deprivation or NEETS for example.

In social care services, the overlap can be across all or some of the six local authorities plus the Health Board. Most social care services are delivered locally; however, for specialist services, where the volume is much lower but the cost high, it is more efficient to commission across organisational boundaries. The North Wales Commissioning Hub has been developed as a collaborative between the six local authorities (social services and education) and the Health Board to address regional commissioning of high cost, low volume care home provision.

Different WG initiatives sometimes also create overlap *within* public sector organisations, for example, Communities First.

All these examples reflect the lack of an overall strategic approach. An example of potential for duplication where the Welsh Government would in an ideal position to provide centralised leadership is the move towards webcasting Council meetings to promote local democracy and public engagement. This is a Welsh Government initiative but all 22 local authorities are replicating activities that could have been planned and procured by the Welsh Government once. Even with local authority support for such central programming the savings in time and resources across the public sector could be significant, lead to consistency of approach and (using the webcasting example) compatible systems.

Do current structures enhance seamless services and provide better services?

Has collaboration led to improved services?

Do current arrangements blur accountability?

Do different organisational scales and boundaries affect the ability your organisation to collaborate effectively?

Complexity of partnership working

As an initial point, many of our partnership arrangements are necessary because of the current configuration of public services. This is especially true of health and social care. Functional integration would eliminate the need for many of these.

Partnership and/or collaborative working has proved to be fraught with difficulties, which, at this stage, seem to outweigh any tangible benefits, particularly as it is very difficult to identify improved outcomes for service users of all partner organisations.

The complexity of collaborative working can be attributed to several factors,



including:

- political structures, priorities and partners' political processes;
- governance arrangements;
- fear of the collaboration adopting the lowest common performance, as there will always be 'winners and losers' unless performance is at the level of the best performing partner;
- numbers of partners – Shared Services Architects suggestions that the optimum number of partners is 4 – anything above this too complex;
- loss of control or sovereignty; and
- differences in language and culture

Denbighshire County Council, along with some of its partners, recently carried out an exercise to identify all of the partnership and collaboration arrangements that they are part of. This has been a difficult task, as there are various definitions of a 'partnership'. Although there are several collaborative arrangements across North Wales, the basis for these partnerships varies from simply working together through to more formal agreements. These arrangements are between various public sector bodies, including:

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| • local authorities | • health |
| • police | • fire |
| • ambulance | • probation |
| • youth justice | • voluntary sector |
| • third sector | • further education |

The range of service areas covered in these partnerships is extensive, including:

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| • Social care | • Education |
| • Waste management | • Safeguarding |
| • Community safety | • Bailiff services |
| • Economic development | • Training |
| • Transport | • Public protection |
| • Youth justice | • Building control |
| • Procurement | • Planning policy |
| • Highways | • Leisure |
| • Emergency planning | • Library services |
| • Tourism | • Fleet management |
| • Housing | • ICT |
| • Agency staffing | • Conservation |

Our evidence of the various collaborative arrangements across the region and with others shows that, if each has its own governance arrangements working in a silo, there is now a complex structure of governance arrangements in North Wales and a level of uncertainty about what the arrangements are in some cases.

Social care provides a good example of this complexity. There are several collaborations across North Wales, such as the adoption service, Galw Gofal, Emergency Duty Team, North Wales Commissioning Hub, joint equipment stores – these services are delivered either sub-regionally or regionally and some also include other departments within the Council as well as the health board. The



greater the number of partners the more complex the governance arrangements become.

The Social Services and Health Programme Board was developed to provide the ultimate accountability for collaboration; however, other than receiving update reports from social care collaborative projects, this has not replaced the need to report directly within each partner organisation. This can lead to significant officer time being spent reporting. Within social care services the statutory duty lies with the Director of Social services – there is often ambiguity around what decisions are delegated from or between each partner, management board and/or project manager.

Our experience is that the sheer number of partnership arrangements creates a significant level of complexity and consequent difficulties with accountability for Members and citizens. There are still too many partnerships and despite best efforts locally to rationalise them, requirements for new ones seem to be proposed routinely to support WG policy initiatives.

Service improvement

The vision for collaboration as outlined in the Compact has not delivered to the extent originally anticipated in terms of savings or ambition. Other than the national procurement and transport collaborations, the scale, ambition and savings made in other collaborative projects are modest.

Progress within collaboration is often slow and, overall, it is too early to demonstrate conclusively whether collaboration has improved services generally and whether any improvements justify the frequently more complex and resource-intensive governance arrangements.

Collaborative arrangements should always be preceded by a sound business case and the improvement in service should be experienced by the end user, not just the partner organisations. Denbighshire and Conwy collaborated on a joint highways project starting in 2009 (including a joint head of service), undertaking a considerable amount of work on the partnership, but by 2012 the Programme Board had concluded that there was no clear business case for moving to a fully integrated highway and infrastructure service. However, the complexity of dealing with partners within collaboration often means that the focus on improvement to the end user is blurred or lost by the time and energy invested in making sure that each partner's requirements are being met.

On the positive side, we have some examples of improved service delivery in social care. There is evidence to suggest that integrated delivery of health and social care services improves services and outcomes for service users; however, this is an area that is fraught with complexity in terms of organisational differences, staff terms and conditions and funding arrangements. Collaboration has assisted in making better use of limited capacity and enabled Councils to



	<p>provide enhanced services.</p> <p>To date, social care collaboration has brought about standardisation of service provision and processes, better use of limited capacity and enabled enhanced services to be delivered rather than being able to demonstrate improved services at this present time.</p> <p>Although it is difficult to evidence improved services through collaboration, working collectively across North Wales does bring about advantages to the region when commissioning specialist services – even collectively the numbers of any one type of specialist service can be very low and it is only by working collectively that organisations will have sufficient critical mass to bring about buying power or to consider commissioning a North Wales service.</p>
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Governance, Delivery and Scrutiny

1.	<p>Are the principles of good governance being upheld, and are they driving improvement? If not, why not? What needs to change?</p> <p>Do governance arrangements for organisations effectively hold those responsible for delivery to account?</p> <p>Denbighshire County Council has a robust governance framework and we believe this has gone hand in hand with good leadership, which has led to improved performance and service delivery over recent years. We have received positive WAO feedback and reports on our governance arrangements and how we have developed our governance framework.</p> <p>Our governance arrangements are now open to more consultation and challenge from senior management and elected members to make them more open and transparent and hold management and members to account for delivery. It's not seen as a tick box exercise to be able to develop the Annual Governance Statement for the final accounts process and is on-going through the year, including an improvement action plan monitored by our Corporate Governance Committee.</p> <p>The Council is held to account in many ways - external regulators, internal audit, self-assessments, peer reviews, partnership boards, scrutiny committees, standards committee, 'audit' committee, annual staff survey, and customer feedback. These sources are all used as assurance that the Council is working effectively and that good governance is in place. The difficulty is to avoid over-regulation, so we have developed an assurance framework to show where we get our assurance, which will highlight any duplication or gaps in assurance.</p> <p>How clear and simple are governance and decision-making arrangements within your organisation? What is the effect of this?</p>
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	<p>We recognised about two years ago that our governance and decision-making arrangements were complicated and not fully understood by some, so we have reviewed the Council’s Constitution to improve and clarify arrangements. It is now clearer in our Constitution where decisions are to be made and service heads now have laid down delegations for general and service specific areas. We now need to take this further by developing decision-making protocols in services where the service heads may need to delegate some powers.</p> <p>Having clear decision-making processes makes life easier for officers knowing where decisions need to be formally approved and who by, although we still occasionally have some issues around governance clarity with scrutiny committees and Corporate Governance Committee (our audit committee). This can lead to the same report going to different committees, which is not efficient and could result in different decisions being taken by different committees leading to conflict. It could also lead to governance issues not being addressed by the right committee or, for example, Corporate Governance Committee not being aware of governance issues where they have been reported elsewhere. We will though be addressing this as part of our review of governance arrangements during this year.</p> <p>How well and how consistently does your organisation change its governance process and adopt good practice to improve efficiency and clarity?</p> <p>The Council has significantly improved its governance and service arrangements over recent years following adverse reports from Estyn and the WAO. These changes included a new leadership team, structure changes at senior management level, leading to a new culture in the organisation, making senior managers more accountable. We have also improved our decision-making processes as outlined above.</p> <p>There is now a more open and transparent culture than in the previous leadership regime and we are consistently a high-performing Council with efficient and effective service delivery. We have clearly listened to our external regulators to deliver improvements and are now seen as good practice for others to learn from.</p> <p>We also realise that we cannot stand still and there is always room for improvement and learning. For example, when the WAO national report on governance comes out, we will review it to identify any better practice that we can learn from.</p>
2.	<p>How effective is public engagement in influencing decisions and holding service-providers to account?</p> <p>The public is able to influence local authority decision and policy making more comprehensively than other public service providers owing to local authorities’ democratic mandate. The extension of public service scrutiny through local authority scrutiny committees will facilitate public engagement and accountability</p>



	<p>through these relatively well-known processes.</p> <p>There are significant barriers to overcome to improve the level and range of engagement with the public. Controversial policies and decisions can draw the public into the process but a wider, more consistent participation remains elusive. However, local authorities are well placed to exploit their electoral and geographic advantages to promote engagement and this work is being undertaken by all local authorities in response to the 2011 Local Government Measure.</p>
3.	<p>How effective are audit, inspection and regulation in driving change and supporting accountability and improvement?</p> <p>We have found, from experience, that external audit, inspection and regulation can be a catalyst for change and improvement. Denbighshire County Council received some very challenging inspection reports from Estyn in 2007 and the Wales Audit Office in 2008, and these reports led to some fundamental changes in leadership and management in the council. We therefore see the value of this critical challenge role in driving improvement, and we value much of the work undertaken. The Wales Audit Office recently agreed to participate in our Service Performance Challenge process, and we feel that this adds a useful external perspective and makes the challenge process more robust. The Annual Improvement Report (AIR) by the Auditor General is particularly helpful in bringing together the conclusions of all audit and inspection work during the past year, although the timeliness of these reports could often be improved. For example, the latest AIR for Denbighshire County Council which provides an evaluation of our performance during 2011-12 and our plans for improvement during 2012-13 was published in May 2013. However, the value to Denbighshire of some of the Improvement Studies and National Studies undertaken by the WAO is not always as clear. The topics of these studies are not always a priority for Denbighshire, and it is often unclear what we hope to learn from these studies and what will improve in Denbighshire as a consequence.</p>
4.	<p>How well does formal and political scrutiny influence decision-making and improve accountability?</p> <p>Recent Wales Audit Office Annual Reports and Estyn inspections have found satisfactory scrutiny arrangements in Denbighshire. The current All-Wales WAO Scrutiny Improvement Study has been reviewing Denbighshire's Scrutiny function against 27 key areas and found the large majority of them to be either positively or significantly supporting effective scrutiny. There were no findings of areas 'hindering effective scrutiny' and this gives a good platform to build on. The WAO's Annual Improvement Report 2012 on Denbighshire's scrutiny arrangements commented that '<i>we consider them to be soundly based and developing satisfactorily</i>' (page 13) and this following changes to its scrutiny structure that were designed to keep pace with changes within the council and with increasing partnership working.</p>



	<p>Denbighshire acknowledges that the extension of local authority scrutiny powers and duties under new legislation is a process that will take time to develop and there are significant resource implications in extending scrutiny to a variety of different and complex governance bodies. In spite of this, local authority scrutiny has the ability and culture (developed over more than a decade) to strengthen effective decision making, local democracy and engagement through public service scrutiny.</p>
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Culture and Leadership

<p>1.</p>	<p>Does the public sector in Wales share a common set of values?</p> <p>We do not feel that there is a common set of values shared by all public sector bodies in Wales. Many organisations do appear to have values that are similar, but they are generally slightly different in their wording. There may be some merit in developing a common set of values across Wales, and the current similarities between organisational values may make that a relatively easy task. However, the purpose of doing so would have to be made clear. It would be of concern to Denbighshire County Council if this were to lead to an additional layer of evidence gathering in order to monitor and report on our success in implementing such values. Values relate to the culture of the organisation, and it should not be possible (or necessary) to measure them in any tangible way.</p> <p>One thing that may complicate the development of a set of common values is the cultural differences that exist in Wales. For example, the Welsh Language receives greater importance and promotion in North Wales than in most parts of South Wales.</p> <p>We do believe that the Welsh Government has a value and commitment to improve and strengthen public service in Wales, by working together and not compete with the private sector.</p>
<p>2.</p>	<p>In Denbighshire, we have the following values: Pride; Unity; Respect; and Integrity. We are confident that these values permeate the whole organisation, and we are certainly able to demonstrate a positive culture within the council from the results of our staff surveys. However, it is good leadership and management rather than the existence of those values that enable that culture to develop and thrive.</p> <p>The council also has a clear ambition to become “an excellent council, close to its communities”, and this again permeates through the organisation. This ambition is underpinned by our commitments in customer service standards in ‘The Denbighshire Way’ and is clearly articulated in many of our published documents, such as our Corporate Plan, and it is reinforced through individual performance appraisals.</p>
<p>3.</p>	<p>Where does change in organisation values come from?</p>



	<p>As mentioned above, the catalyst for cultural change in the council has been leadership. Senior managers and Elected Members have worked together to create a positive culture within the organisation, and this collective leadership approach has resulted in significant change. Staff engagement is a key requirement for culture change, and there are many examples of workforce engagement in Denbighshire, e.g. staff roadshows, CEO and Leader’s Blog, You tube corporate messages, Staff Away Days, Members going out with officers to the ‘field’ etc., which have stimulated innovation, improved communication and supported change.</p>
4.	<p>What role does leadership play in improving performance</p> <p>Leadership, rather than scale, is the biggest controllable influence on the performance of an organisation. Although increasing the scale may offer some savings relating to fixed costs, it will not improve the performance of an organisation. It may actually be the case that, all other things remaining equal, increasing the scale will have a detrimental impact on performance.</p> <p>High performing authorities have a culture of continuous improvement, common core values, empowerment of staff and trust. To create such a culture, an authority needs to have a strong focus on its people and performance, which we believe we have in Denbighshire.</p> <p>The leadership model in Denbighshire has had a clear impact on improved performance, positive culture and enhanced capacity. The model is embedded within the council’s ‘operating system’ and is one of the council’s significant strengths. This is one of the key questions within this consultation document, and a separate paper has therefore been produced by the Chief Executive to cover the issue of leadership in more detail.</p>

Welsh Government and National Assembly for Wales

1.	<p>How could Welsh Government do more to achieve policy coherence and aligned delivery?</p> <p>Firstly, it could do a lot less. The role of Welsh Government should be to establish clear national expectations on performance and outcomes, set policy direction, offer a strategic approach, provide the right balance of encouragement, support, pressure and intervention to achieve national objectives and ensure a clear inspection and accountability framework.</p> <p>The reality is very different. Although we have the Wales Programme for Government, by and large activity is not coordinated and policy links are not made between departments. The consequence is that financial implications are not always properly taken into account and the cumulative impact of policy changes on Local Authorities not always understood. Timetables are not always aligned and from a North Wales point of view, there appears to be a lack of</p>
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	<p>inclusivity. For example, there seems to be no common approach between the 21st Century schools programme and other key capital programmes, or between Communities First and Families First.</p> <p>Welsh Government, including many ministers appears far more interested and concerned with operational management, specific – often ward level – issues and last minute fixes.</p> <p>Here are some examples of inappropriate WG involvement:</p> <ul style="list-style-type: none"> • Deciding whether or not a school or a provision should close or open; • Deciding to ‘top slice’ the local government revenue grant a couple of months before the start of a financial year in order to create additional projects, with complex governance structures that may or may not be high priority; • Deciding that all councils will introduce webcasting; • Deciding local governance arrangements for specific projects, e.g., Communities First, Families First <p>Here are some examples where a strong national direction is absent but needed:</p> <ul style="list-style-type: none"> • A clear strategy for how we are going to address the financial challenges; • A strategic direction on the future provision of Social Care and Health services – loose collaboration or hard mergers? • A national strategy for improving educational standards (all of the bullets in the Programme for Government can be ticked without addressing this). <p>Addressing this problem would improve governance, remove unnecessary operational management activity and save the taxpayer significant amounts of money.</p>
2.	<p>Is the distinctive role of the national government in Wales well understood?</p> <p>At the broadest level people understand that Wales has a devolved government with responsibilities for a limited range of areas. There is also an appreciation that, in these areas, the Welsh Government has a mandate to govern and to implement its promises to the electorate. However, it isn’t always clear how Welsh Government exercises these responsibilities and sometimes the way these responsibilities are exercised lead to undermining of its own role.</p> <p>For example, there is currently a lot of ministerial talk about serious cuts to local government budgets: ‘be prepared for English style cuts’. But is this because of the settlement from the UK government or choices that the Welsh Government will make or a combinations of both? Lack of clarity invites speculation and gossip rather than professional decision making. It also creates confusion about who is responsible for what.</p> <p>Equally it is not always clear where the role of the Wales Government stops and local government starts. For example, the Welsh Government requires all councils to develop and adopt an LDP. This is what you’d expect. But it is also</p>



	<p>considering publishing guidance on how many locally elected members should sit on committees and even how long they should be allowed to speak for! Is the role strategic or operational?</p> <p>There appears to be insufficient respect for Welsh Government's authority at a local level. Sometimes this is locally encouraged and sometimes it is encouraged by poor decision making by ministers. For example, the previous local government minister's expectations on the local government Compact were clear: transformational change and lots of financial savings. However, they were also unrealistic because local government does not have the appetite to achieve these outcomes but do have the culture, behaviours and the authority to avoid them. A result is further undermining of the credibility/authority of national government. The response of the minister to 'top slice' the local government revenue grant by £10m and force councils to come up with new collaboration projects, with additional governance structures and long term costs added to the problem.</p> <p>The solution is for Welsh Government to redefine its role by disengaging from attempting to manage public services and focus on strategy, expected outcomes and standards. Where outcomes and standards are not met there needs to be robust, proportionate and clearly understood action not more operational management.</p>
3.	<p>How have arrangements between the Welsh Government and organisations developed to enable and encourage improvement in delivery?</p> <p>Our feeling is that WG is too involved in operational matters; 'delivery' rather than outcomes, and is generally too prescriptive. For example, in the new Social Services and Well being Bill, Local Authorities are told that:</p> <ul style="list-style-type: none">• They should be self contained in terms provision of accommodation for children within County boundaries. This would entail LAs building inefficiently considerable quantities of residential care;• They should only foster with local authority foster carers which means if enacted there would be no use of independent fostering agencies, vol. orgs etc.• That we should place within County boundaries so in Powys a child from Welshpool could be placed in the Swansea Valley, but a child in Prestatyn should not be placed in Gronant (2 miles over the border). <p>Another example of this overly operational focus is the recent independent review of planning in Wales. The review concluded nothing fundamentally wrong with the system but none-the-less came up with 92 recommendations. Instead of leaving it to Local Authorities to implement as appropriate locally, implementation is being dictated across Wales. For example, it seems likely that Local Planning Authorities will be told exactly how many Members should be on the Planning Committee.</p>



	<p>Our perception of encouragement from WG is of 'sticks' rather than 'carrots'. The new outcome arrangements are an example, as is the collaboration funding top sliced from LA budgets without consultation. More prescription or more regulation seems to be the WG response when things don't work, rather than tackling the causes of failure. Targeted encouragement and support would be more effective.</p> <p>On the positive side, we feel that the environment is there to encourage dialogue at the top, and that WG is accessible. There have been good examples of WG listening and working with Councils in the region, for example, not progressing the merger of Children's Services between Denbighshire and Conwy; supporting the local Economic Ambition Board; Denbighshire's 'Big Plan' etc. We feel there is a desire to succeed and that relationships are generally good.</p>
4.	<p>How effectively does the Welsh Government directly manage services?</p> <p>It's not clear which services are directly managed by WG.</p>
5.	<p>How well does Wales handle cross-border service provision between Wales-England/ Devolved-non-devolved?</p> <p>Welsh Government generally looks for a 'Welsh' solution, but this concept is not always the most appropriate in North Wales, where services in England may be more accessible. For example, we feel that the WG decision not to support the Mersey-Dee City region initiative was short-sighted and ignored the significant links we have with the North West of England.</p>

Concluding Thoughts

After considering the six themes it would be helpful and insightful to gather your responses on the final three questions.

1	<p>What are the greatest challenges that you see in delivering public services in the future?</p> <ul style="list-style-type: none"> • Financial reductions and the apparent lack of strategic planning at WG level • Lack of effective strategy for the future funding and organisation of social services and healthcare. • Apparent inability to develop a sophisticated model for intervening in inverse proportion to performance. We don't seem to be able to grow good leadership and culture, resulting in Wales falling behind other countries. Poor performance is not effectively managed at present and intervention is weak.
2	<p>How would you like to see public services delivered in the future?</p>



	<ul style="list-style-type: none">• Accept that current arrangements are inefficient and ineffective, that there is duplication of service provision, an unsustainable number of organisations and governance arrangements. There should be fewer, more coherent governance arrangements and organisational structures, including local authorities.• More effective leadership from WG.• Fewer organisations with clearer accountability.• More coherent arrangement of service delivery.
3	<p>Are there any other areas of focus that the Commissions should be looking at as part of their evidence gathering?</p> <ul style="list-style-type: none">• Role and function of City, Town and Community Councils