



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

Annual Improvement Report

Torfaen County Borough

Council

January 2011



Annual Improvement Report by the Auditor General for Wales

This report is written by the Wales Audit Office and Grant Thornton on behalf of the Auditor General for Wales. (An explanation of what the Auditor General does is at Appendix 1). It is a new report that he is required to publish about how well Welsh councils are improving their services. With help from other inspectors like Estyn (for education) and the Care and Social Services Inspectorate for Wales, we have brought together a picture of what the council is trying to achieve; how it is going about it; and what it needs to do to improve its approach to improving services.

This Annual Improvement Report sets out that picture and each year we will produce a report to let you know what progress Torfaen County Borough Council (the Council) has made. We have not covered all the services the Council provides. We have focused on a small number of things, especially those things that the Council has said are its priorities for improvement.

We want to find out what you think of the services the Council is providing in your area and will be giving you an opportunity to comment in the future. In the meantime we would like to know whether this report gives you the information you need, and whether it is easy to understand. You can let us know your views by emailing us at info@wao.gov.uk or writing to us at 24, Cathedral Road, Cardiff CF11 9LJ.

The Wales Audit Office study team that assisted in preparing this report comprised Alastair McQuaid and Nick Selwyn under the direction of Jane Holownia.

This report has been prepared by the Wales Audit Office on behalf of the Auditor General for Wales as required by the Local Government (Wales) Measure 2009. The Auditor General for Wales assesses the compliance of Welsh improvement authorities (county councils, county borough councils, national park authorities and fire and rescue authorities) with the improvement requirements of Part 1 of the Local Government (Wales) Measure 2009.

The Auditor General for Wales and his staff together comprise the Wales Audit Office. For further information about the Wales Audit Office please write to the Auditor General at 24 Cathedral Road, Cardiff, CF11 9LJ. Telephone 029 2032 0500, email: info@wao.gov.uk, or see website www.wao.gov.uk.

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What kind of area is Torfaen?

- 1 Torfaen has a geographic area of 126 km² and is the third smallest local authority area of Wales, accounting for 0.6 per cent of the total area of Wales. Torfaen borders the city of Newport to the south, the county of Monmouthshire to the east and the county boroughs of Caerphilly and Blaenau Gwent to the west and north-west. There are six town and community councils located in Torfaen. These are Blaenavon, Croesyceiliog & Llanyrafon, Cwmbran, Henllys, Ponthir and Pontypool.
- 2 Much of the southern part of Torfaen is now urbanised around the Cwmbran New Town conurbation. The north of Torfaen is greener and retains vast acres of countryside, especially on the route to Blaenavon. The administrative centre is Pontypool in the centre of the county borough. Most of the administration of Torfaen County Borough Council is conducted from the Civic Centre there, although facilities at the County Hall in Cwmbran are shared with Monmouthshire County Council.
- 3 Based on the latest mid-year estimate (2009), the population of Torfaen is 90,720, living in approximately 38,789 households (2007 estimate), making it the sixth smallest Welsh local authority in population terms. The age profile of the Torfaen's population shows the number of children (aged 0 - 16) to be 17,244 in 2009 whilst the number of people aged 65+ is 16,569, the fifth highest number for Welsh councils. Life expectancy for males in Torfaen is at the Welsh average of 77 years and for females is 81 years, just under the average. Life expectancy has risen in recent years. The number of residents of pensionable age is increasing whilst the number of school age children is declining. Population projections forecast that the population for Torfaen will decrease to 89,157 by 2033.
- 4 More information about Torfaen and Torfaen County Borough Council is set out in [Appendix 2](#).

geographic area
126 km²
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population
90,720
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17,244 aged 0-16
16,569 aged >65
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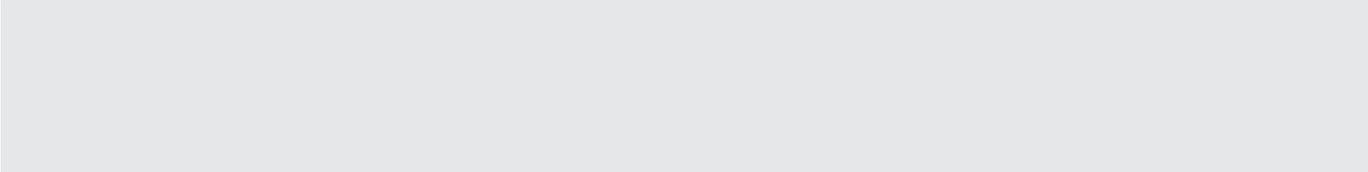
Is Torfaen County Borough Council well managed?

- 5 In October last year, the Wales Audit Office published a Corporate Assessment Report commenting on how the Council is organised and managed. Our findings are set out in [Appendix 3](#). The whole Corporate Assessment Report is on the Council's website or on the Wales Audit Office website at www.wao.gov.uk.
- 6 The overall conclusion of that report was that: The Council has good leadership and positive partnership arrangements and is taking steps to ensure its strategic thinking is translated into prompt and effective action within a challenging financial environment. In other words the Council is led well, is working well with other organisations and is working hard to improve the way it turns its plans for improving services into reality.
- 7 Stability in the Council's leadership over the past few years has helped the organisation to take tough decisions. Whilst, the Council has not always succeeded in turning its plans into reality it is taking steps to make sure this happens more consistently. The Council has recently changed the structure of senior management and is reorganising itself to deal with the current economic climate.
- 8 Despite the strengths in leadership and partnership working, the Council recognises that it does not manage performance and workforce planning consistently well and is embedding new approaches to address this. The Council is reviewing its approach to project management, its process for setting policy and strategy and the way it uses finances and assets.
- 9 Since we produced the Corporate Assessment Report, the Council has continued the process of setting its corporate priorities and direction for the next five years and refining its medium-term financial planning. It is actively exploring ways of achieving savings through innovation and efficiency. It has continued work to modernise schools and to change how it plans, procures and delivers a range of services and has moved ahead with a range of partnership projects such as the Digital Strategy. These include securing £9 million funding from the Assembly Government for the Gwent Frailty Project to support vulnerable people, developing the Blaenavon shared resource IT centre, working towards a joint benefits service with Monmouthshire County Council, and arrangements to secure computers for schools from the private sector.
- 10 The pressure is growing on all public services to make the very best use of all their resources. The auditor appointed by the Auditor General has given his opinion on the Council's accounts. His annual audit letter, which provides information regarding the accounts, use of resources and the Council's Improvement Plan is included in this report at [Appendix 4](#).
- 11 The money that the Council spends comes mostly from central government, which provides revenue and capital funding. Revenue funding pays for the services that the Council provides and the staff that the Council employs. Capital funding is used to pay for infrastructure such as buildings, roads and large equipment purchases. In addition to the money the Council receives from central government, the Council raises funds through council tax and from fees and charges. It may also generate some income from selling off surplus land and buildings it owns.

- 12 The Council has to set a revenue budget to manage within the available funds at the beginning of each financial year. It then monitors actual expenditure against this. The Council expects to spend £159 million in 2010-11 with education representing the largest proportion of this at nearly 41 per cent and social services nearly 25 per cent. The Council has a good track record of managing within the budgets it sets, although at present the Council is predicting a £1.5 million overspend, the majority of which is due to significant pressures within social care, particularly for looked after children. However, the Council has identified a range of areas where savings can be made totalling £550,000 which should mitigate this by the year end.
- 13 The Council faces considerable financial pressures and compiled a three-year budget forecast from 2010-11 to 2012-13 in September 2009. This identified, at the time, the need to secure £29 million savings over this period to maintain a balanced budget. At present, the Council estimates that it faces a growing budget deficit, increasing from £10.1 million in 2010-11 to £33.2 million in 2014-15.
- 14 Only £26.8 million, or 18 per cent, of revenue expenditure in 2009-10 was funded from council tax, the fifth lowest proportion of Welsh Councils. 85 per cent of property in Torfaen is in council tax bands A to D. The level of council tax in Torfaen and the rate at which it has risen in recent years are near the average of Welsh councils. Arrears of unpaid council tax have increased recently to over £2.9 million at the end of March 2010. Although this is a large amount, it is around the average level of council tax outstanding per chargeable dwelling for Welsh councils.
- 15 Due to the financial climate, almost all public services face reductions in funding. Revenue funding is the money that councils spend running and managing their services. The Council will see a reduction of around £2.240 million (1.7 per cent) in the revenue funding it gets from the Assembly Government for 2011-12. Once inflation is factored in, that means a real terms cut of around £4.717 million (3.58 per cent). Indicative Assembly Government figures show further real terms reductions in the Council's revenue funding for 2012-13 and 2013-14¹.
- 16 The Council has a capital programme of approximately £32 million for 2010-11 and forecasts that the capital funding available to the Council is set to reduce considerably. Because councils make bids for capital funding, it is not possible to be entirely clear about how much each council will get. The total sum of capital available to Welsh councils will fall by 14 per cent in 2011-12 (a real terms cut of 18.5 per cent). There are no official figures for local government capital spending beyond 2011-12 but it is likely to be in line with a general reduction in the Assembly Government's capital spending, which will be cut by around 34 per cent (around 40 per cent in real terms) between 2010-11 and 2013-14².
- 17 The cumulative effect of these reductions, combined with other factors that affect demand for services, such as the increasing age profile of the population and the social impact of the recession, will place significant pressures upon councils. If levels of central funding that councils receive are cut significantly, Torfaen could be hit hard. In particular, the Council employs staff under various Assembly Government grant programmes which if reduced or terminated is likely to result in redundancies. Under the 21st Century Schools

¹ Source: Assembly Government/Stats Wales

² Real terms means the effect of inflation is taken into account. There are lots of different measures of inflation. The figures used for public sector budgets come from the Treasury's GDP deflator series.



initiative the Council has put in a strategic proposal for funding to the Assembly Government. Changes to the grant match-funding criteria could have an impact on what the Council is able to accomplish under the scheme.

- 18 The Council has already been taking steps to meet the challenge of funding reductions, for example the current budget includes £1 million to fund transformation projects to support innovative and new ways of working that could realise future revenue savings. Members take the lead on setting the Councils budget and improvement priorities. Given the impact of the the Assembly Government settlement figure, the Council recognises that this process will involve making difficult and politically sensitive choices and members have been exploring different scenarios to prepare for these decisions.

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

Planning to improve what matters most

- 19 The Assembly Government wants to make sure that councils can always show that what they do reflects clearly what is most important for local people and results in improvements in peoples' lives. So that councils focus on making a difference to the things that matter most, the Assembly Government requires them to publish plans for improving their services and how they will go about doing so. Councils are also required to set 'Improvement Objectives' that support the main priorities that they are aiming to improve each year, and then to report what they have achieved.
- 20 The six key things that Torfaen County Borough Council has decided that it needs to concentrate on improving have been identified as improvement objectives for 2010-11. The Council has decided to focus on:
- helping frail people stay in their homes;
 - improving the way disabled facilities grants are delivered;
 - improving access to welsh medium education;
 - increasing the recycling, reusing and reducing of waste;
 - providing opportunities for people to increase their skills for employment; and
 - improving planning services³.
- 21 The Council must publish its Improvement Objectives as soon as practical after the beginning of April each year. In this first year the Council published them in June 2010 in 'Torfaen's Forward Facing Improvement Plan 2010-11'. In August 2010, the Improvement Objectives were circulated to all households in Torfaen using the Council's free newspaper, *Torfaen Talks*. They are also included in the Council's Corporate Plan Update 2010-11, intended to fulfil the Assembly Government's requirements for the Council to publish a public document before the end of October, setting out how it has performed in the past year. In addition, the Council is required to publish a summary by the end of November. The Council has made the summary available on the Council's website and also distributed it to households in the Council's free newspaper *Torfaen Talks* in November 2010.
- 22 To fully comply with legislation, the Council should publish its plans for improvement much earlier next year, and its report of what it has achieved by the end of October statutory deadline.
- 23 As the current Corporate Plan covers the final year of a strategic cycle, the Council is currently revisiting and refocusing its priorities for the next round of improvement planning which will also reflect recent community consultation and financial constraints. It will also be reporting on how well it has done in delivering the priorities it set itself. Consequently, the Improvement Objectives set for this year could change in 2011 when the full legal requirements around Improvement Objectives and Reports come into force. So, the Council has treated the current year as a learning opportunity.

³ See Appendix 5 for further details.

- 24 The Council has also agreed with community planning partner organisations that serve the area, such as health and police, how they will work together in relation to Assembly Government all-Wales priorities and what differences they will make for people over the coming year. This information, including the Council's Improvement Objectives and current performance, is laid out in the Corporate Plan, linked to 10 strategic priorities and 29 outcomes. The priorities and outcomes support the Council's overall vision of making Torfaen 'a safe, prosperous, sustainable place where everyone has the opportunity to be the best they can be', and they reflect what citizens told the Council mattered most to them in consultation. They also mirror the Community Strategy.
- 25 However, the Corporate Plan does not show how all stakeholders who may have an interest have been involved, for example, local businesses. Although contact details for further information are included in the plan, it does not clearly set out how interested people can become involved and contribute their views specifically on setting improvement objectives in future. However, the Forward Facing Plan summary, distributed to all households, did invite people to become involved through membership of the Torfaen People Panel, the Council's public consultation forum. Whilst the Council did not consult specifically on its Improvement Objectives for 2010-11, it based them on the existing Corporate Plan and the Torfaen Community Strategy both of which were subject to wide consultation in their formation and adoption.
- 26 The Corporate Plan includes a statement on how it meets legal requirements. Delivery is clearly linked to Local Service Board (LSB) shared outcomes, service improvement plans, team and individual work plans; is supported by budgets and a project level risk management policy and strongly reflects the Councils 'golden thread.'⁴ Each of the Improvement Objectives is supported by proposed actions and measures of success, and the Forward Facing Plan clearly identifies which service area is responsible for delivering the actions relating to the Improvement Objectives. Information in the plan is set out clearly and is well presented. Links to issues such as partnerships, equalities, sustainability and Welsh language are evident. Improvement Objectives are set out with a link to the Forward Facing Plan which sets out clearly why they were selected. The plan identifies priority themes, intended outcomes, measures of success and planned activities. Next year information could be showing clearly how improvement objectives and related action integrate with wider activity. We would also expect service plans which are being drafted at present, to demonstrate how services are involved in delivering the Improvement Objectives.

⁴ The process by which an individual's work contributes to the work of the team; how the team's work contributes to the service area; and how the service area contributes to delivering the Corporate Plan priorities.

Showing how people benefit from what the Council does

- 27 The Council needs to more clearly demonstrate how people will be better off if it improves as it intends to. The Council has set out in its forward-facing plan how its Improvement Objectives link to existing strategic plans and outcomes, and has set out why it chose the objective, how it intends to deliver it and how it will measure success. However, the measures that the Council has in place so far do not always show clearly whether anyone will be better off if it achieves its Improvement Objectives. This is because measures sometimes relate to completing an action rather than achieving a result and also because information on the Councils current level of performance or the target for improvement is not always available. The Council is currently developing its second five-year Corporate Plan which will help address this issue.
- 28 We reviewed the measures that the Council intends to use to show whether its Improvement Objectives are successful, and also looked at how the Council has shown evidence of improvement in the past. Overall, in common with many other councils, performance measures are usually based on National Strategic Indicators of performance (NSIs) which do not always show whether local people are receiving services that represent value for money or are better off. Consequently, there is limited information on whether what the Council has done benefits anyone; users' experiences of receiving services, how much they cost and whether people are satisfied.
- 29 The Council recognises that it needs to develop better measures that are clearly linked to outcomes as well as developing robust information on cost per benefit and unit costs. It should also ensure that the approach to setting Improvement Objectives, focused on achieving improved outcomes for citizens, is applied to planning, delivering, monitoring and reporting the full range of the Council's functions and activities.
- 30 The Council is committed to working in collaboration with local partners within Torfaen and also with neighbouring councils to improve people's experience of services and also to make savings. The Council and its partners have consulted widely on local priorities and jointly developed a Community Strategy that sets out what they intend to do together. However, arrangements for collaboration can take a long time and a lot of effort to set-up, and cannot always show that they are producing the intended benefits. More work is needed by the Council and its partners to show how these partnerships benefit the public and the participating organisations.
- 31 Like all others the Council does not have all the information it needs about the impact of the recession on the demand for its services from local people, and how any changes may affect its plans. The Council recognises that it needs to get better at predicting demand, setting targets, monitoring progress and also measuring and reporting success. It can apply this approach to how it manages improvement more widely, not just in relation to its Improvement Objectives. The Council is improving how it gathers and uses information to help it to make sure that important decisions are based on a clear understanding of what is already provided, how well it is working, how much it costs

and what else is needed. The Council has started to make effective use of a pan-Wales performance management system, Ffynnon⁵, to help manage and demonstrate improvements for people, and is gathering increasing amounts of information about public satisfaction with services.

32 It is important for the Council not only to have information on the right things, but also that the information is accurate. The audit of the Council's systems for managing and reporting its key performance indicators in 2010 by Grant Thornton found that all 38 National Strategic Indicators (NSIs), which every council is required to report performance against, were substantially accurate, although four indicators needed to be corrected because they found some errors. Performance has improved from last year when almost two-thirds of the indicators needed amendment.

33 Although the NSI audit noted improvement in addressing the error rate, some ongoing concerns in relation to the quality of performance information were raised by the Council's internal audit service and also by the CSSIW. In addition to the NSI audit, the Wales Audit Office undertook a review of the Council's evidence submission to the Assembly Government to support achievement of its Improvement Agreement targets in relation to the Assembly Government national priorities. We concluded that the Council is making effective use of Ffynnon to evidence improvement but a small number of targets were not sufficiently challenging and some evidence from national Performance Indicators (PIs) needed to be supplemented by local indicators. The Council is continuing to take steps to improve the accuracy of its performance information.

34 Finally we evaluated how well the Council's plans support its efforts to improve and if it could afford to pay for these improvements. Generally, because the Council's Improvement Objectives are not new initiatives, they are expected to be funded and managed through existing budgets and plans. However, the Council recognises that in the current financial climate, resources need to be focused to ensure cuts in government funding will not prevent it from making the progress it wants to make in its priority areas. Therefore, it needs to improve its financial planning within this changed context for the next few years. We will review the Council's plans as they develop, we will comment on whether they will support its efforts to do better and we will also look at whether the Council has actually made the improvements for local people that it intends.

⁵ Ffynnon is a nationally procured software solution to meet the performance management requirements of Welsh local authorities, fire and rescue services, national park authorities and their partners.

Is Torfaen County Borough Council serving people well?

- 35 Through the Auditor General's Improvement Assessment we hope to gradually build a picture of how well the Council is serving local people. In order to do that, each year we will examine the Council's services and some of their objectives for improvement in relation to three important aspects of life in Torfaen, which cover most of the services that councils provide for citizens. They are:
- helping to support people in need;
 - helping people develop; and
 - helping to create a safe, prosperous and pleasant place to live.
- 36 In this year's assessment we have looked at how the Council has chosen and developed its Improvement Objectives under these aspects, and how it is performing so far on them so that next year the Council, and others, will be in a better position to understand how far performance has improved. We recognise that this is a transition year as the Council and the Wales Audit Office implement the requirements of the Local Government Measure 2009. The Council is continuing to refine its approach to Improvement Objectives and has been receptive to feedback on how it can improve them for 2011.
- 37 This report does not aim to give a full or balanced picture of the Council's performance across the range of functions it undertakes and the services it provides. Instead it concentrates on particular areas that the Council has said it wants to improve, why it has chosen to improve them, how the Council intends to do it and how it will account for what it achieves.
- 38 The NSIs which all councils are required to report tend to focus on the quantity of activity rather than the quality of outcomes. They do not, therefore, necessarily provide a good basis for showing that local people are better off as a result of what the Council does, or for comparing how well different councils are serving people. However they are the main source of publically available comparative data on the performance of councils in Wales. The Assembly Government does not expect councils to achieve continuous improvement against all of the indicators. Reductions in public funding mean that all councils will need to make explicit decisions about priorities, which may lead to their performance declining in some areas. The Council should identify minimum service standards for non-priority areas against which performance can be monitored, to ensure that acceptable standards of service are maintained.
- 39 Currently the Council's results as measured by NSIs are variable in terms of improvement and in relative performance compared with other Welsh councils. Nevertheless, some indicators showed improved performance in 2009-10. These include composting, affordable housing, people aged over 65 supported in their own homes and young people not in employment, education or training (NEETs). There were some reductions in performance of indicators in relation to waste/recycling, empty premises, crime rates, education, building new homes and housing quality.

Is Torfaen County Borough Council supporting people in need?

- 40 The role of the Care and Social Services Inspectorate in Wales (CSSIW) is to make professional assessments and judgments about social care, early years and social services and so encourage improvement by the service providers. It works on behalf of Welsh Ministers, but there are a number of safeguards in place to ensure its independence. Under new legislation there is a new framework in place for local authority social services inspection, evaluation and review.
- 41 Directors of social services are required to produce an annual self-assessment report on how well services are being delivered. The CSSIW will then undertake a review and analysis of evidence underpinning the report, including evidence from other regulators and inspectors. This analysis will result in an individual inspection and review plan for each council. The CSSIW's analysis, and the inspection and review plan, will be set out annually in a published letter.
- 42 2009-10 is the first full year of the new framework with the purpose being to establish a baseline of current performance. The key messages of the letter issued in December 2010 are summarised below.
- 43 The Council works effectively to ensure that all those looking for help are linked quickly and appropriately to services. It runs a Contact Centre that provides a range of information in a variety of formats to help people access the services and support they require. It provides timely access and intervention for children, their families and for vulnerable adults. Although high caseloads in Children's Services have made an impact on overall performance, the Council has maintained good standards in care management and review for looked after children. The Council assesses all identified carers, including young carers, and works with people with a range of needs ensuring that it is able to offer interventions that prevent crises, as well as working with people with complex needs. However the Council needs to develop its focus on delivering outcomes for the people it is seeking to help. For children this means improving the speed of core assessments and the quality of decision-making in order to reduce the current high rate of re-referrals. For adult users and carers the Council should focus on ensuring that services match the assessments of needs, and outcomes for service users improve as a result.
- 44 The Council works well with partners to provide a range of services for local people. It has retained a small range of in-house provider services, while working extensively with the private and voluntary sectors to provide a range of services for adults. The Council supports most service users in their own homes or in community settings. It has reduced the need for residential care and increased the levels of support for adults in the community. The Council has focused on providing support for children and families within the community and has been successful in developing and promoting Direct Payment options for families. All children and young people looked after by the Council are supported in their own communities through foster care and, where appropriate, supported living.
- 45 The Council has acknowledged gaps and limited options to meet individual need in some service areas, notably in respite care services for adults with complex needs and services for those in the early stages of dementia. There is also further work to do with carers to extend the range of services available to better meet their needs.

- 46 The Council is able to show that it is working effectively to improve people's lives. Partnership working to safeguard vulnerable adults and children is good, though some arrangements are still bedding-in. Services focus on promoting independent living through reablement and short-term interventions. The Council supports young people leaving care and other vulnerable young people through good quality arrangements with the voluntary sector. It works well with services users, carers and members of the public to ensure that their views inform social services values. Areas the Council should develop further include improving the timeliness of child safeguarding processes, enabling more young people to access education, training or employment, and the use of Direct Payments and assistive technology to foster independence for adults in the community.
- 47 Capacity in social care services is an issue that the Council is seeking to address. It has a good track record in acknowledging the contribution made by staff to support children, families and adults. It is encouraging workforce development and improving skill levels across the social care sector through its Social Care Workforce Development Programme. Reliance on agency staff has decreased as the Council has used supernumerary posts to increase capacity, but rising demand, particularly in Children's Services, has absorbed much of this. The Council is continuing to develop joint management arrangements with the Local Health Board. At present, performance management systems are not robust and decision-making may be being undermined by poor performance information. The Council needs to ensure it has accurate performance management information to support effective decision-making.
- 48 Planning and commissioning services is an area of strength. The Council works well in partnership, particularly with health services to provide the most effective services to children, their families and to adults. It has developed a robust quality and fees framework and works well to jointly commission services with health. Contract management for adult services is proactive and the Council manages resources within budgets. However, the Council needs to build on achievements by commissioning a wider range of services, including supporting young people with effective preparation for education and work and adults with complex needs to support independence. It is not yet clear how the Council proposes to maintain investment in preventative services in the light of increasing demand and reducing resources.
- 49 The Corporate Plan priorities provide a structure for effective performance and business planning for social services, with specific objectives to support vulnerable adults and children. This encourages innovation to support independence. The inquiry report following the death of Victoria Climbié in England, included a recommendation that 'chief executives and lead members of local authorities with social services responsibilities must ensure that children's services are explicitly included in their authority's list of priorities and operational plans.' The Council does not have an Improvement Objective in relation to children's services but does give appropriate priority to them in its plans.

- 50 The Council promotes a clear modernisation agenda to ensure best value and quality services. The Council has recognised the gains for social services, and for the Council as a whole, in working closely with the Health Board. This joint management structure has the potential to maximise the opportunities for both partners, bringing scope for considerable pooling of resources and increased co-operation. Dual management roles can facilitate positive change and innovation and create an ownership style of culture. However, without sound governance arrangements they may bring potential for conflicts of interest and tensions. The Council is aware of this and is continuing to evaluate the joint management structure with Health. Social Services receive appropriate support from the corporate management team and politicians. Elected members, whether in the Cabinet or Scrutiny, work closely with the Director of Social Services and managers.
- 51 Councils administer housing and council tax benefits on behalf of the Department for Work and Pensions (DWP). Incorrect benefit payments generally happen when either the council has paid too much benefit or the claimant has not claimed appropriately. Councils must keep overpayments to a minimum whilst also promoting robust but sensitive recovery of the debt. In 2008, DWP reported significant improvements in the general standard of administration of benefit payments but noted that overpayment of benefit had increased, particularly arising from customer errors. According to DWP statistics, in 2008-09, the Council identified 4.5 per cent of benefits as overpayments and recovered 28 per cent of accumulated debt. The averages for Wales were 4.9 per cent and 22 per cent.
- 52 The systems to prevent and recover overpayments were assessed by the Wales Audit Office. We concluded that while the Council has overpaid less benefit than it used to, it is recovering a smaller share of that money. Although overpayments have reduced, the Council has a more generous approach to repayment which resulted in £281,000 less in-year debt being recovered than during the previous year. While recovery of debt is administered satisfactorily and total debt recovery levels are stable, the approach to repayment agreements for in-year debt recovery is generous allowing some people to repay over longer periods. We recommended that the Council should encourage customers to provide information to calculate underlying entitlement so that the total benefit overpaid is reduced; increase the recovery of total overpaid benefit by employing a wider range of recovery options; and review repayment agreements, particularly following a change in circumstances.
- 53 From December 2010, the Council's Head of Revenues and Benefits will also take management responsibility for Monmouthshire County Council's Benefits Services as part of an enhanced service level agreement between the two councils. Torfaen has provided management and operational support to Monmouthshire Benefits over a number of years and now the two councils are developing a common service. This should culminate in a shared Benefits service.
- 54 The Wales Audit Office is co-ordinating assessment work at councils with our work in health. We are looking at how well the Council works with the Aneurin Bevan Health Board (ABHB), which has responsibility for health services across an area covering Torfaen and neighbouring councils. The councils, Health Board and other local partners work together to

co-ordinate the planning and delivery of health and social care services for vulnerable people. The ABHB is a fairly new body which replaced the previous structure of five smaller Local Health Boards and a Trust. Relationships between the Health Board and the five councils it covers are evolving as new structures and posts within ABHB bed in and arrangements for joint working continue to develop. Our work is ongoing and will be reported in 2011.

- 55 Recently, the Council along with nine partner councils in south east Wales won a Welsh Local Government Association (WLGA) excellence award. The South East Wales Improvement Collaborative (SEWIC) Children's Commissioning Programme was established to improve outcomes for children and young people who are looked after, achieve better value for money and increase placement choice for looked after children and young people. A Regional Commissioning Unit has been established and reports realising savings of over £500,000 to date.

Improvement Objective - Helping frail people to stay in their homes

- 56 Good quality care in the community can improve people's well-being and reduce the need for people to go into hospital or into care homes. It can shorten the time those who need to be in hospital spend there, by making sure they have the support they need to go home or appropriate care if they cannot, otherwise the transfer of care between hospital and community can be delayed and hospital beds can become blocked.

- 57 In Torfaen, the rate of delayed transfers of care for social care reasons per 1,000 population aged 75 or over in 2009-10 was 9.36. This has improved from 38.48 in 2006-07 but is still high compared with other Welsh councils, placing the Council 19th out of 22. The rate of older people (aged 65 or over) whom the authority supports in care homes per 1,000 population aged 65 or over at 31 March 2010 was 21.06, around the average for Wales. The number of people aged 65 or over who are helped to live at home per 1,000 population aged 65 or over during 2009-10 was 119.5, well above the average for Welsh councils. However, in their NSI audit, auditors identified weaknesses in validation procedures for information entered onto the Community Care database which supports these performance indicators. They recommended improvements to validation procedures to ensure the accuracy of the PIs.

- 58 The Improvement Objective 'helping frail people stay in their homes' is clearly linked to the Community Strategy and Health Social Care and Well-Being (HSCWB) Strategy which the Council has agreed with partner organisations and community representatives, and also the Council's CIP. For 2010-11, activity is focussed on planning for the implementation of the Gwent Frailty Project. The Council is taking a lead role in a partnership with neighbouring councils. The Gwent Frailty Project, which has just secured national funding and aims to improve community support, extend independence and also reduce hospital admissions and delayed discharges. We will monitor the project as it develops to identify good practice and assess whether it is achieving improved outcomes for users and carers. Alongside these initiatives, the Council needs to encourage greater take-up of the direct payments scheme which gives people more say in how their

care is provided. Currently uptake of this is very low in Torfaen compared with the rest of Wales. The rate per 10,000 adult clients (aged 18+) supported in the community who receive a direct payment was 218.90 in 2009-10. This was well below the Welsh average of 363.71 and placed the Council as the fifth lowest performer.

- 59 Because the planned focus of activity is on establishing the project to deliver longer term benefits in the future, the actions to support the objective listed for completion over the coming year relate more to the project processes rather than to how services meet the needs of frail older people. The measures of success are a mix of completing proposed actions and two National PIs, the only indicators for which a baseline of current performance is included. For both PIs the Council is already exceeding its target for 2010-11. There are no local measures which would enable the Council to demonstrate the link between activity within the project and whether people being helped to stay at home, and there are no measures of quality or satisfaction for users or carers. Therefore, it is not possible to determine what benefits for people result from the activity.

Improvement Objective - Improving the way we deliver our disabled facilities grants

- 60 The Wales Audit Office inspected the Council's disabled facilities grant⁶ service in 2009 and concluded that the Council was not providing the service effectively. The Council agreed to a series of recommendations and produced an action plan to improve the service.

- 61 Since our inspection, the Council's performance in relation to Disabled Facilities Grants (DFGs) deteriorated. Although the average number of calendar days taken to deliver DFGs improved from 412 days in 2006-07 to 206 days in 2008-09, it fell back to 273 days in 2009-10.

- 62 In 2009-10 the Council on average took 17 calendar days to deliver low cost adaptation works in private dwellings where the DFG process is not used. This was the fourth quickest performance for Welsh councils.

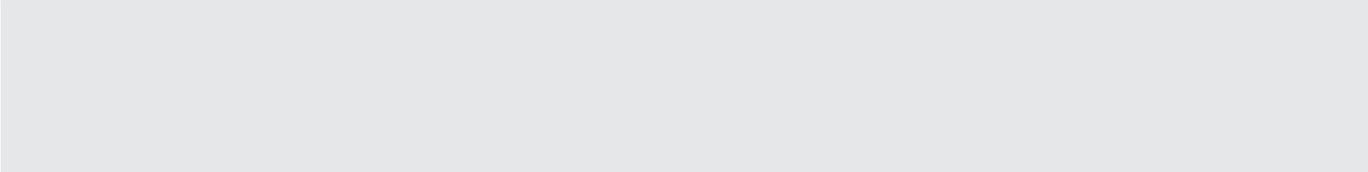
- 63 The Improvement Objective is intended to help to deliver the necessary improvements identified by the Wales Audit Office inspection and also links with the the Assembly Government's One Wales strategic objectives, the Community Strategy and HSCWB Strategy, and the Council's CIP. The Council has set out actions to deliver its Improvement Objective and improve the DFG service. However, the three national performance indicators used as measures of success do not clearly show how anyone will benefit and do not measure value for money or user satisfaction. Two of them are measures of activity and the third is a measure of processing time. One of the PIs, for clients aged 18 – 64 supported in the community, does not have a target set against it for 2010-11. The measure also refers to work undertaken via Supporting People rather than DFG's and without any specific actions listed to improve the supported housing service, it is not clear how this measures progress on the DFG improvement objective. The Council will need to develop measures that more clearly link to outcomes, and set targets for improvement, in order for it to show that DFG service users are better off.

⁶ A Disabled Facilities Grant is a local council grant to help towards the cost of adapting a home to enable an older, vulnerable or disabled person to continue to live there. A grant is paid when the council considers that changes are necessary to meet their needs, and that the work is reasonable and practical.

Is Torfaen County Borough Council helping people develop?

- 64 Estyn, Her Majesty's Inspectorate of Education and Training in Wales inspects how well councils are helping children and young people develop their skills. Estyn has a regular programme of inspections of pre-school services such as nurseries, schools, colleges and youth services. We work with Estyn to assess how well the Council supports all these services to help children and young people develop.
- 65 Torfaen's performance for the attendance rate of pupils in primary schools in 2009 was 93.1 per cent attendance rate, just below the mid-point in a ranking of Welsh councils. For pupil attendance in secondary schools, the Council was ranked the joint 19th poorest performer out of 22 Councils in 2010 with a 90.5 per cent attendance rate. In both primary schools and secondary schools performance has deteriorated between 2007 and 2010.
- 66 Core subject indicator attainment is the percentage of all pupils who achieve the expected level in English or Welsh first language, mathematics and science in combination, and is sourced from the National Curriculum Assessment results submitted to the Assembly Government by schools. The percentage of pupils achieving the CSI at KS2 has risen since 1999. In 2010 it was 83.5 per cent, ranked first of Welsh councils. The percentage of pupils achieving CSI at Key Stage (KS)3 in Torfaen in 2010 was 59.0 per cent, ranked 19th lowest of 22 Welsh councils.
- 67 In their audit of NSIs, auditors identified weaknesses in provision of evidence to support validation procedures in relation to information used to calculate the performance indicators for KS2 and KS3. They recommended improvements to documenting evidence that provides assurance of the accuracy of the PIs.
- 68 The Council has opened a new primary school in Cwmbran and is progressing with remodelling a school in Pontypool, planning increases in Welsh medium education and improving facilities for additional learning needs. Overall, numbers of surplus places in primary and secondary schools are below the Welsh averages although 36.7 per cent of primary schools have significant surplus capacity. To address capacity issues and modernise its schools, the Council has submitted a bid to the Assembly Government under the 21st Century Schools programme for £280 million which involves the Council providing match funding of £84 million over 12 years. The Assembly Government is due to respond in early 2011.
- Improvement Objective - Improving access to Welsh medium education**
- 69 In 2009, 20 per cent of the population of Torfaen could speak Welsh compared with just below 26 per cent of the total population of Wales. In 2010, 8.4 per cent of pupils in schools maintained by the local authority received a Teacher Assessment in Welsh (first language) at the end of KS2 in 2009-10. The figure at the end of KS3 was 9.9 per cent. Both figures are below the Welsh average.
- 70 In their audit of NSIs, auditors identified weaknesses in provision of evidence to support validation procedures in relation to information used to calculate the performance indicators for teacher assessment in Welsh at KS2 and KS3. They recommended improvements to documenting evidence that provides assurance of the accuracy of the PIs.

- 71 The Improvement Objective to increase access to Welsh medium education clearly reflects the Torfaen Community Strategy, the Assembly Government's One Wales priorities, and the Council's Single Children's Plan. A project timetable is set out for achieving the objective linked to the Council's programme for modernising school buildings. The measures of success relate to the delivery of the project timetable and completion of building works rather than to outcomes, although the supporting information for the objective makes it clear there will be an anticipated growth in number of Welsh medium school places and the quality of existing provision. The ability to measure the impact of activities on access as an outcome is limited by the absence of any measures for access or quality. Furthermore, there is no reference to any intended impact upon educational attainment as an outcome. These should be included, with baselines of current performance and targets for improvement.
- 72 The Welsh Language Board (the Board) works with Local Authorities to help them develop their statutory Welsh language schemes that outline the way in which they provide services to the public in Welsh. The primary responsibility for the range and standard of services rests with the Authorities who provide them, working in accordance with the statutory framework and guidelines of the Board. Every Local Authority is expected to provide the Board with an Annual Monitoring Report that explains how its scheme has been implemented. This allows the Board to offer advice as to how a Council might improve its local arrangements. The Board also undertakes its own reviews to assess the provision of Welsh language services and to promote improvement.
- 73 The Board found that the Council's electoral documentation and website do not comply with the Welsh Language Scheme (WLS). The Council is now expected to deliver an improvement plan to address these issues. The Board is also concerned about the Council's ability to offer certain face to face services in Welsh. A revised WLS and Linguistic Skills Strategy are expected in the next few months to facilitate better planning of Welsh language services and to address the current lack of data on Welsh language skills.
- Improvement Objective - Providing opportunities for people to increase their skills for employment**
- 74 The demise of traditional industries has left Torfaen with the fifth highest unemployment rate of Welsh council areas at nearly 34 per cent, and unemployment in Torfaen is increasing at a higher rate than the average of other Welsh councils. In April 2010, 5.0 per cent of the working age population were out of work, claiming Jobseekers Allowance and National Insurance credits. The Welsh average was 4.3 per cent. The percentage of working age adults in Torfaen with no qualifications is above the Welsh average but has gradually fallen since 2001. In 2008 it was 17.1 per cent, the Wales average was 14.6 per cent.
- 75 Gross value added (GVA) is a measure of the size of the economy of an area. In 2007 GVA per head in Torfaen was £11,397, the joint second lowest amongst the 22 Welsh local authority areas. Average weekly earnings in 2009 were £507, similar to the Welsh average, and gross disposable household income was the joint lowest amongst the 22 Welsh local authority areas.

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- 76 The Improvement Objective to increase skills for employment is linked clearly to the Torfaen Community Strategy, the Assembly Government's One Wales priorities, the Council's Corporate Plan and regional projects. The actions to deliver the objective are focused on implementing existing projects, developing new ones and improving how projects are co-ordinated. Measures of success relate to participation in projects and increasing employment. Baseline data indicates an intention to increase participation and employment significantly. The benefits of achieving this objective are clear for participants.
- 77 The Council is complementing this Improvement Objective with a range of related initiatives and activities, including securing £3.9 million of grant funding under the Future Jobs Fund to create up to 600 new jobs.

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

- 78 The Council works closely with Gwent Police and other services to try to find out how safe its communities are and to make them safer. The Council also works closely with other organisations such as voluntary organisations to understand issues that cause problems in local areas and build stronger communities. Some of this information is based on statistics about the number of crimes and complaints reported to the Police and to the Council. Some of it is about how safe people feel. According to the British Crime Survey, based on interview data on peoples' experiences of crime, Torfaen's crime rate rose from 50.53 offences per 1,000 population in 2008-09 to 51.87 offences per 1,000 population. Although violence reduced, burglary, sexual offences and vehicle crime increased. However, Gwent Police crime figures, which are based on the amount of crime reported to the Police, fell by 9.3 per cent.
- 79 Her Majesty's Inspectors of Probation undertake inspections of work with young offenders. In September 2010 they published a report on youth offending work in the area covered by Monmouthshire and Torfaen County Borough councils. The inspection team examined the quality of work done to safeguard the child or young person, protect the public by minimising the risk of harm to others and reduce the likelihood of reoffending. In each of these areas the team make assessments that minimum, moderate, substantial or drastic improvement is required in the immediate future. In relation all three areas the team assessed that moderate improvement is required. Overall, the team concluded that Monmouthshire and Torfaen has good prospects based on committed and competent staff supported by enthusiastic and capable managers. The team made recommendations for improvement, particularly in relation to assessing offenders' needs and planning how to respond to them, documenting information and liaising with youth offending teams in other areas. The service is required to produce a plan of action.
- Improvement Objective - Increasing the recycling, reusing and reducing of waste**
- 80 In 2009-10 the Council reused and/or recycled 23.36 per cent of municipal waste. Comparatively the Council was ranked 13th out of 22 Welsh councils, the average was 24.7 per cent. In 2009-10, the Council's waste collections were affected by severe winter weather and the proportion of waste diverted from landfill fell from 49.8 per cent in 2008-09 to 46.9 per cent in 2009-10.
- 81 The Council's waste management service has previously met its waste targets and has long term plans in place to meet future ones. Plans to change the service delivery are designed to increase performance and two major long term waste treatment contracts for food/green waste and residual waste will be entered into in the next two years, in partnership with Blaenau Gwent and Caerphilly councils. However delivery of the Council's waste services is heavily reliant upon identifying internal funding and on continued Assembly Government grant provision, and the Council is concerned that changes to funding amounts, linked requirements and payment methods, may have serious consequences for performance and future costs.

82 The Improvement objective is linked to a Community Strategy Theme, One Wales, the Corporate Plan and to regional projects. Actions are focused on developing a waste management strategy and are primarily to review current approaches, so the relationship between actions and delivering improvement for citizens is unclear. Six national performance indicators are listed as measures of success. These include measures for recycling, composting and reusing but no measures specifically for waste reduction. Baseline performance data is provided for five indicators but anticipated performance on PIs shows near static performance on four out of six indicators and only one target demonstrates a very marginal improvement. The benefits for a citizen from this Improvement Objective need to be made clear.

84 Because the improvement actions focus upon improving efficiency within the planning system, benefits for citizens arising from this activity are not clearly set out. Baseline information on current levels of efficiency is not provided and measures for success have not been identified. Elements of the planning system relating to enforcement or building control, which are outcome focused are not encompassed and aspects of the application process which may influence process time, such as delegation and site visits are not covered by the supporting information.

Improvement Objective - Improving our planning services

83 The focus of the improvement objective is on improving the Development Control service. In 2009-10 37.5 per cent of major planning applications were determined within 13 weeks. Torfaen failed to meet the 13 week target more often than over half of all Welsh councils. For minor planning applications, 35.4 per cent were determined within 8 weeks. This meant that the Council was second worst of the 22 Welsh Councils at meeting the 8 week target. 54.4 per cent of enforcement cases were resolved within 12 weeks of their receipt. This placed the Council 14th of the 22 councils in Wales. The Council had the second lowest number of planning application decision appeals determined in 2008-09 with 15. The Welsh average was 44.4. Of these appeals none were in relation to enforcement action and 73.3 per cent upheld the Councils original decision, the third highest number amongst the 22 Welsh Councils.

What should the Council do?

85 Given the wide range of services provided and the challenges facing the Council it would be unusual if we did not find things that can be improved. The Auditor General is able to:

- recommend to Ministers of the Assembly Government that they intervene in some way;
- conduct a special inspection and publish the report with detailed recommendations;

- make formal recommendations for improvement – if a formal recommendation is made the Council must respond to that recommendation publicly within 30 days; and
- make proposals for improvement – if we make proposals to the Council, we would expect them to do something about them and we will follow up what happens.

86 In the light of our work we think the Council needs to consider our proposals to help it improve:

Proposals we made in our earlier work

- evaluate the effectiveness of the Council's role in partnerships;
- formalise the medium-term financial planning process and publish the strategies for workforce planning and asset management to support the Council's vision and priorities;
- implement a programme that embeds performance management within the operational management of all services;
- put training in place to support inexperienced members to effectively discharge their remit; and
- train and support the Audit Committee so that it can more effectively discharge its remit in relation to the Council's statutory responsibility to have arrangements in place to secure continuous improvement in its functions.

New proposals

The Council should:

- publish its next improvement objectives early in the financial year and ensure that its Improvement Report is easily accessible to the public in line with the Assembly Government's requirements;
- clarify the impact of its improvement objectives in terms of the benefits it wants to achieve for citizens and ensure that they are achievable in the context of reduced resources;
- develop success measures which are supported by information about how the Council performs now, what its targets are, an analysis of cost and how its performance compares with other councils;
- identify minimum service standards for all service areas against which performance can be monitored; and
- ensure that the approach to setting Improvement Objectives focused on achieving improved outcomes for citizens is applied to planning, delivering, monitoring and reporting the full range of the Council's functions and activities.

Appendix 1

About the Auditor General for Wales and this report

The Auditor General

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

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

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

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

This report

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

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

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

The main piece of work for the Wales Audit Office, to enable the Auditor General to fulfil his duties, is an annual Improvement Assessment⁷.

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



This will be informed by a:

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

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

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

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

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

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

Appendix 2

Useful information about Torfaen and Torfaen County Borough Council

The Assembly Members for Torfaen are:

- Lynne Neagle, Torfaen, Labour
- Nick Ramsey, Monmouth Conservative
- Irene James, Islwyn Labour

The South Wales East Regional Assembly Members are:

- Mohammad Asghar, Conservative
- Jocelyn Davies, Plaid Cymru
- Veronica German, Liberal Democrats
- William Graham, Conservative

The Members of Parliament for Torfaen are:

- Paul Murphy, Torfaen, Labour
- David Davies, Monmouth, Conservative

There are 44 Councillors for Torfaen who represent the community and make decisions about priorities and use of resources. The Council is made up of Members from the following political groups:

- 18 Labour
- 13 Independent
- 5 Conservatives
- 3 Plaid Cymru
- 2 Lib Dem
- 3 Peoples voice

A Cabinet (made up of the Leader, Deputy Leader and seven Executive Members) which is responsible for the 'executive' functions and decisions of the Council (within the overall policy and budget framework set by the Council).

In 2008/2009 the Authority's gross revenue spend was £201 million, equating to £2,211 per resident. In that year the Authority also spent £18 million on capital items.

The average band D council tax in 2009-10 for Torfaen was £1,108.10 per year, this will increase by 3.36per cent to £1,145.38 per year for 2010-11.



Eighty-five per cent of Torfaen's housing are in council tax bands A to D.

The Council is required by the Assembly Government to make plans to improve its functions and the services it provides. Each year it must publish these plans along with specific 'improvement objectives' that set out the key things that the Council intends to do to improve. The Council must do this as soon as possible after 1 of April each year.

For more information see the Council's own website at www.torfaen.gov.uk or contact the Council at Civic Centre, Pontypool, NP4 6YB

Appendix 3

The Auditor General's Corporate Assessment

The main conclusions of the Auditor General's Corporate Assessment which was issued to the Council in June 2010 are set out below:

The Council has good leadership and positive partnership arrangements and is taking steps to ensure its strategic thinking is translated into prompt and effective action within a challenging financial environment.

How the Council has approached improvement over time

The Council's stable leadership has helped ensure that difficult policy choices are implemented but strategic thinking has not always led to the planned benefits for residents.

The Council has taken some tough decisions and made progress in difficult areas.

There are challenges in meeting the needs of local communities.

The Council is changing how it organises itself to deliver services in a period of severe financial constraints.

Analysis of the Council's arrangements to help it improve

The Council's leadership and partnership arrangements are particular strengths but other aspects of how the Council plans and organises do not consistently support improvement.

The Council has good leadership that plays a strong role in supporting improvement.

The Council's commitment to partnership working is positively supporting improvement.

Governance arrangements have improved and are evolving to meet future challenges.

Policy and strategy, risk and project management are improving and the Council has identified further areas for development.

The Council has a medium-term focus towards the appropriate use of resources which will be strengthened further when financial and asset management plans are in place.

The Council recognises that it does not yet manage performance and workforce planning consistently well and aims to address this.

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

Appendix 4

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

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

It is the Council's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements;
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- publish its Improvement Plan by 31 October.

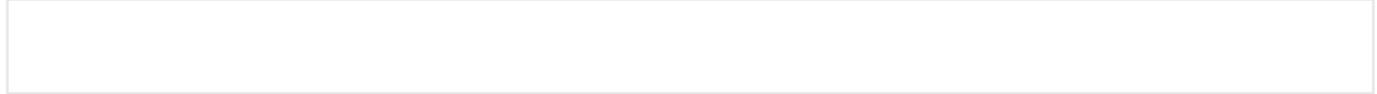
The Code of Audit Practice issued by the Auditor General (the Code) requires me to:

- provide an audit opinion on the accounting statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources;
- consider whether the Improvement Plan is prepared and published in accordance with statutory requirements; and
- issue a certificate confirming that I have completed the audit of the accounts.

On 28 September 2010, I issued an unqualified audit opinion on the accounting statements, confirming that they present a true and fair view of the Council's and the Pension Fund's financial transactions. My report is contained within the Statement of Accounts.

The 2009-10 accounts were produced to a good standard and met all of the statutory deadlines. The Council had incorporated the changes introduced by the 2009 SORP as well as the improvements identified in previous years by the Wales Audit Office. The following key issues were identified during the accounts audit and were discussed with management and those charged with governance:

- the fixed asset register did not reconcile to the financial ledger; and
- IT additions recorded in the statement of accounts were not supported by underlying records.



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

- effective budgetary control arrangements are in place and formal medium-term financial planning is developing against a backdrop of significant financial challenges in the future. This is referred to further in the Annual Improvement Report.

The Council's Improvement Plan for 2010-11, which is its Corporate Plan, meets the statutory requirements and provides a balanced view of its performance in 2009. However, whilst the Council had included this plan within Council agenda papers published on its website prior to the deadline of 31 October 2010, it was not easily accessible. The Council should ensure this is addressed in future years.

I issued a certificate confirming that the audit of the accounts had been completed on 28 September 2010.

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

Barrie Morris (Grant Thornton UK LLP)

For and on behalf of the appointed auditor
29 November 2010

Appendix 5

Torfaen County Borough Council's improvement objectives

The Council published its improvement objectives in its Community Plan which can be found on the Council's website at www.torfaen.gov.uk. They are:

- helping frail people stay in their homes;
- improving the way we deliver our disabled facilities grants;
- improving access to Welsh medium education;
- increasing the recycling, reusing and reducing of waste;
- providing opportunities for people to increase their skills for employment; and
- improving our planning services.

Appendix 6

References

All the data referred to within the report is drawn from one of the following sources:

- Welsh Assembly Government, StatsWales
- Welsh Assembly Government, local area summary statistics
- Improvement Authority's own websites and improvement plans
- The Wales Yearbook
- The Home Office
- Members' Research Service
- Office for National Statistics