



Llywodraeth Cynulliad Cymru
Welsh Assembly Government

www.cymru.gov.uk

Part 1: Local Government Improvement

Wales Programme for Improvement (WPI)

Local Government (Wales) Measure 2009

Summary of Contents

Chapter 1	Integrating Strategy and Delivery	2
	Linking the Concepts	2
	Linking in Practice	3
Chapter 2	Principles, Coverage and Status	6
	Fundamental Principles	6
	Coverage and Status	8
Chapter 3	Improvement	9
	Defining Improvement	9
	The General Duty to Improve	9
	Improvement Objectives	10
	Identifying Improvement Objectives	12
	Formulating Improvement Objectives	13
	Consulting on Improvement	15
	Recording and Reporting Progress	16
	Role of Scrutiny	17
Chapter 4	Improvement Information	18
	Statutory Performance Indicators	19
	Standard Performance Indicators	19
	Local Indicators	21
	Other Improvement Information	
Chapter 5	Working Together	23
	Collaboration for Improvement	23
	Consultation and Reporting	24
Chapter 6	Accounting for Improvement	26
	Plans and Intentions	26
	Reporting Past Performance	27
	Publication	28
	Wider Public Engagement	29
	Flexibility	30
Chapter 7	Assessment, Regulation and Inspection	21
	Outline of the Work of the WAO and Relevant Regulators	32
	Improvement Assessment	33
	Forward Looking Corporate Assessment	34
	Retrospective Performance Assessment	34
	Special Inspections	35
	Published Annual Improvement Reports	35
	Co-ordination of Assessment and Regulatory Work	36

Chapter 1

Integrating Strategy and Delivery

- 1.1 This document is one of three documents along with similar guidance for Fire and Rescue Authorities and Guidance on **Community Strategies and Planning**. Together, they set out how local authorities, fire and rescue authorities and their partners should best implement the provisions of the Local Government (Wales) Measure 2009. That Measure has two substantive parts - Part 1, which deals with improvement and business planning by local authorities and National Park authorities, and Part 2, which deals with strategic community planning by local authorities and a range of public-sector partners.
- 1.2 We have separated this guidance into two documents because the audiences for each are different. But the two are closely interlinked, and it is absolutely essential to understand how and why that is so if the new system is to work effectively at the local and national levels.

Linking the Concepts

- 1.3 There are two basic concepts or principles of public management involved here:
 - **Improvement** is concerned with the short term. It is a process by which organisations (in this case, local authorities and National Park authorities) determine what their priorities are, and plan, monitor, manage and report their activities on an annual basis so as to achieve them. Before the Measure became law, this process was, for local government, regulated by Part 1 of the Local Government Act 1999 - the 'best value' regime.
 - **Community planning** deals in much longer timescales. Under this process, local authorities and their partners establish a 10-15 year strategic vision for improving local citizen and community wellbeing. It necessarily deals with much longer-term and often much more complex and intractable problems and priorities than the improvement processes described above. Before the Measure became law, this process was regulated by Part 1 of the Local Government Act 2000.
- 1.4 Despite the obvious differences between improvement and community planning, **neither of them works properly in isolation from the other**. Improvement that is not grounded in a longer-term strategic vision, and which does not aim to realise that vision, quickly becomes a sterile exercise in chasing performance targets for their own sake, often without an adequate sense of what matters most to local people and communities. Conversely, community planning which does not generate visible, shorter-term beneficial changes for local areas can readily

degenerate into a purposeless process of formulating vague aims and aspirations that will never be properly realised. It is one of the most important aims of the Measure, and of this guidance, to correct both of those failings by joining the two processes together more effectively.

1.5 We believe there are several reasons why those connections have not been robust enough up to now:

- There is too much of a gap between the annual improvement cycle and the 10-15 year community planning timetable. That gap is partly filled by medium-term statutory plans, such as Health, Social Care and Wellbeing Strategies and Children and Young People's Plans. But these necessarily cover only some of the objectives of local authorities and their partners.
- Improvement under the 1999 Act has been perhaps too concerned with measurable performance data and with reform to authorities' business processes. The emphasis is perhaps too much on improving the performance of authorities as organisations, rather than on the positive effect they can have on what matters at the local level and beyond.
- For local authorities, improvement and community planning were governed by entirely separate statutory regimes and reporting requirements. In many cases, this has not unreasonably led to their being allocated to separate parts of their organisations.
- Other public bodies are not necessarily or consistently involved in community planning. While many good examples of effective partnership working exist, community planning remains in law, and often in practice, primarily a matter for the local authority. It is right that local authorities provide co-ordination and leadership, in line with their democratic mandates. But they can achieve little in the longer term without full and effective input from others.

Linking in Practice

1.6 Both of the guidance documents describe ways in which we aim to remove or minimise those problems. In general, though, improvement and community planning should inform, and be informed by, each other. We would expect that:

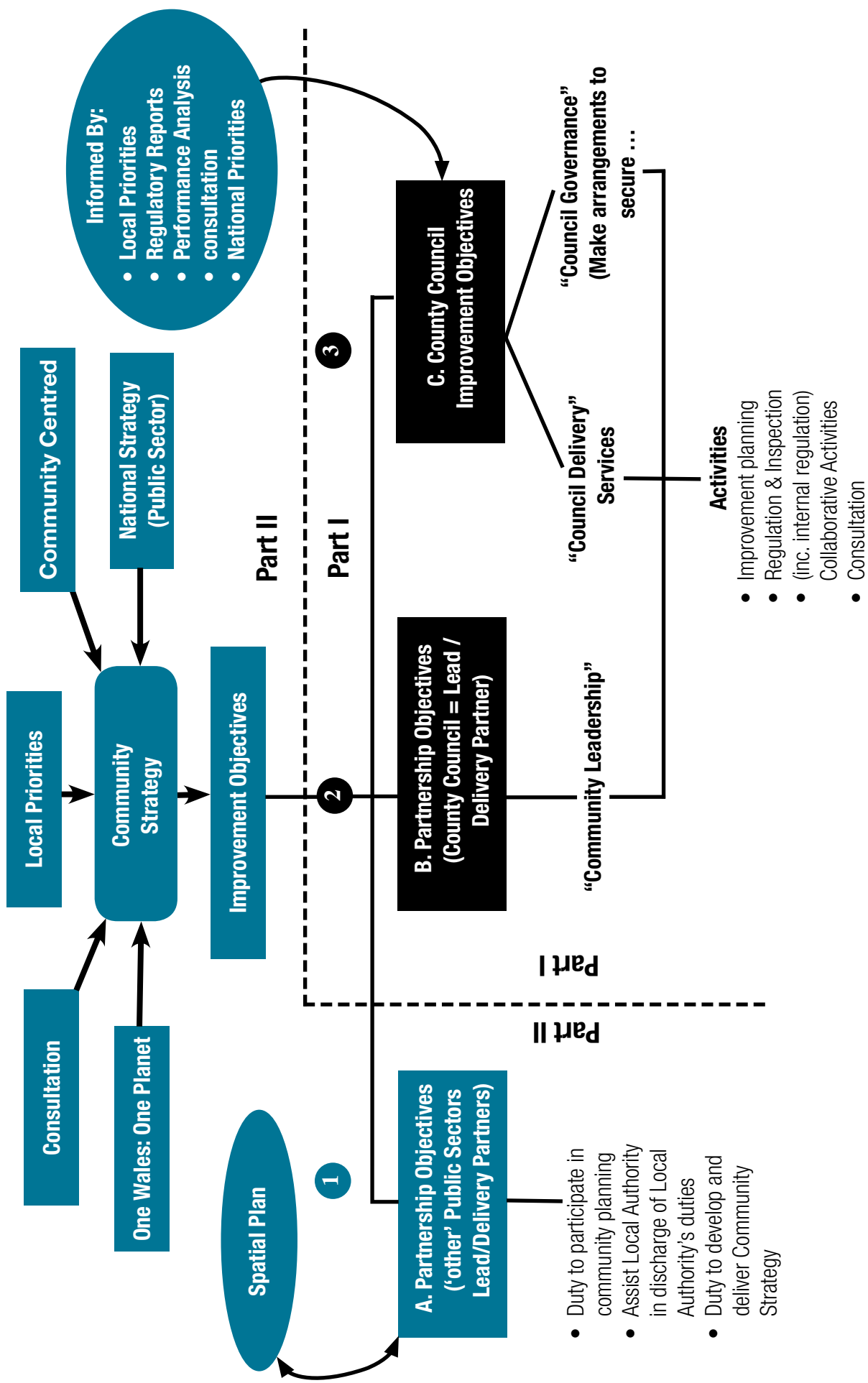
- Improvement should take full and proper account of the strategic vision as set out in the community strategy. This provides the frame within which many short-term improvement priorities should sit. Although there will be other such priorities which do not, either because they are too short-term or too confined to one organisation, they should at least not conflict with the community strategy.
- Community planning should be based both on an understanding of what appears reasonably deliverable by a local authority and/or its partners, and on continual monitoring of how effective that delivery is. If and when it becomes clear, from shorter-term information, that community planning objectives are not deliverable or no longer relevant, those objectives should change.

1.7 In more detail, and as required by the Measure, this means that:

- A community strategy should include a set of actions which local authorities and their partners publicly commit to carrying out over the short to medium term.
- Those actions should be grounded in a full understanding both of priorities over a 10-15 year period and of the scope for local partners to realise them. That may involve difficult choices: all public bodies are subject to legal, policy and resource constraints on their freedom to act.
- Local authorities and National Park authorities should develop appropriate improvement objectives accordingly. These will clearly contribute to the “strategic effectiveness” improvement aspect, but other aspects, in particular fairness and sustainability, may be particularly relevant.
- Other public bodies should also integrate community planning actions into their business planning processes, by formulating appropriate objectives, in line with their existing (and continuing) different roles and accountabilities.
- Delivery of those objectives should inform the continuing development of community planning. All partners should, individually and collectively, consider the delivery and relevance of community planning actions, as part of the process of monitoring implementation. If it becomes clear that one or more partners are unable to carry out community planning actions, or that those actions or the objectives to which they relate have become irrelevant or less important, partners should consider amending them.

1.8 In outline, the whole system thus resembles figure 1 (overleaf).

Local Government Measure



Chapter 2

Principles, Coverage and Status

Fundamental Principles

2.1 The Local Government (Wales) Measure 2009 builds upon the thinking behind the 2005 version of the Wales Programme for Improvement (WPI), and is based on a few fundamental principles:

- “improvement” properly means more than just quantifiable gains in service output or efficiency, or in the internal effectiveness of authorities. Rather, it should mean anything which enhances sustainable quality of life for local citizens and communities;
- accordingly, authorities themselves should determine their own priorities for improvement based on a thorough understanding of local needs and their capacity to address them;
- that understanding should inform, and be informed by, the longer-term shared vision of community outcomes as encapsulated in each area’s community strategy as an articulation of the local authority’s community leadership ambitions;
- approaches to collaboration, performance management, accountability, regulation and inspection, and support and intervention, should sustain and be consistent with the above principles.

2.2 The Measure corrects the constraints inherent in the original statutory basis for the WPI by:

- Expanding the definition of improvement. This is no longer limited to economy, efficiency and effectiveness, but rather embraces the following:
 - making progress towards an authority’s strategic objectives (as set out in its community strategy);
 - improving the quality of services;
 - improving the availability of services;
 - improving fairness by reducing inequality in accessing or benefiting from services, or improving the social wellbeing of citizens and communities;
 - exercising functions in ways which contribute to sustainable development;
 - improving the efficiency of services and functions;
 - innovation and change which contributes to any of the above objectives.

- Allowing authorities to determine their own improvement objectives under any (but not necessarily all) of the above elements of improvement.
- Creating a general power for authorities to collaborate so as to secure improvement.
- Introducing more timely and flexible reporting requirements that are better aligned to authorities business planning needs.
- Simplifying the approach to regulation and inspection, and requiring co-ordination between regulatory bodies.
- Creating a general power for the Welsh Ministers to offer voluntary support to authorities, and requiring them to use that power as regards an authority which is in difficulties before they can consider using their intervention powers (except in exceptional circumstances).

2.3 Part 2 of the Measure reforms the law on community planning, in particular by requiring local partners (NHS bodies, National Parks, the police, fire authorities and community councils) to collaborate with the local authority in developing and delivering a community strategy. It does not prescribe particular structures or ways of working: that will be for local partners to agree.

2.4 Statutory guidance on Part 2 of the Local Government (Wales) Measure 2009, Community Strategies and Planning, covers local authorities' and their community planning partners' roles in developing and realising a longer-term vision for an area and its communities. It is one of the key aims of the Local Government (Wales) Measure 2009 to link the community strategy, and more importantly, the on-going processes that underpin it, with the local government improvement regime. If local authorities and their community planning partners have good community planning arrangements in place, including strong engagement with communities and stakeholders and a clear focus on achieving better outcomes, then the setting of improvement objectives should flow naturally from this and the improvement objectives themselves should prove to be more relevant and realistic.

2.5 If an authority establishes, or continues to enjoy, good, robust, continual and demonstrable engagement with communities and stakeholders this may lessen the need for extensive or frequent formal consultation exercises. In short the level of continual engagement that the authority has with its communities and stakeholders, the more likely it would be for an authority to set appropriate improvement objectives. In any case, authorities will need to be able to demonstrate that they have given residents and other interested parties the opportunity to express their views and have them taken into account. Local authorities should retain evidence to demonstrate that people have been given the opportunity to comment on proposed improvement objectives and plans for achieving them.

Coverage and Status

- 2.6 Part 1 of the Local Government (Wales) Measure 2009 applies in full to county and county borough councils in Wales, National Park authorities and Fire and Rescue Authorities, all of which are now designated as Welsh improvement authorities. The designation of ‘best value authorities’ no longer has any legal meaning in relation to these bodies, nor does the broader concept of ‘best value’.
- 2.7 Police authorities in Wales are not subject to Part 1 of the Measure or to the National Assembly for Wales’s legislative powers on service improvement. They remain best value authorities subject to the Local Government Act 1999, and to guidance issued by the UK Government under it.
- 2.8 This guidance applies to county and county borough councils, and to National Park authorities. However, we recognise that National Park authorities have a smaller range of functions than local authorities, and different governance and accountability arrangements, and they should interpret this guidance in line with those differences. Some of this guidance, for instance references to scrutiny and scrutiny committees, is clearly inapplicable to National Park authorities and should be treated as such.
- 2.9 This guidance does not apply to fire and rescue authorities. Separate WPI guidance has existed for fire and rescue authorities since 2006 and that will remain the case; we will therefore issue Guidance under the Measure for fire and rescue authorities separately.
- 2.10 For convenience, in this guidance the terms “authority” and “authorities” mean any or all of the bodies to which the guidance applies (county and county borough councils and National Park authorities), unless the text states otherwise. “Local authority” means a county or county borough council (only).
- 2.11 Most of this guidance is statutory under sections 6, 14(3) and 15(8)-(9) of the Measure; the authorities to which it applies must therefore have regard to it. Some of the guidance has no statutory force and is simply advisory. Such passages are noted in the text.

Chapter 3

Improvement

Defining Improvement

- 3.1 Authorities serve citizens and communities in many diverse ways: by offering leadership and democratic representation, creating and maintaining a sense of place and civic pride, and by commissioning and co-ordinating the work of other agencies - as well as by providing services themselves. They should aim to do so in a way that improves and protects the sustainable quality of life of citizens and improves the well-being of an area.
- 3.2 'Improvement' in the context of the Local Government (Wales) Measure 2009 and the Wales Programme for Improvement means more than just quantifiable gains in service output or efficiency, or the internal effectiveness of an organisation. Rather it should mean anything that enhances the sustainable quality of life and environment for local citizens and communities.

The General Duty to Improve

- 3.3 Under section 2 of the Measure, authorities are under a general duty to "make arrangements to secure continuous improvement in the exercise of [their] functions." This wording has been deliberately and carefully chosen, and two aspects of it deserve further comment.
 - Firstly, the duty involves 'making arrangements' to improve: there is no absolute duty to improve, nor could there be. Delivering high-quality services and addressing multiple community needs is a complex and often difficult business, and no organisation, however competent or well-intentioned, can guarantee that its efforts will be successful. An absolute duty to improve would therefore either invite failure or the setting of unambitious and less relevant objectives. But that does not mean that authorities need only to design some processes and leave it at that. Rather, authorities should put in place arrangements which allow them effectively to understand local needs and priorities, and to make best use of their resources and capacity to meet them and to evaluate the impact of their actions.
 - Secondly, the duty refers to 'continuous improvement'. As the exact local meaning of 'improvement' will vary between authorities and over time, this does not mean that everything needs to carry on improving in measurable terms. Rather, authorities should seek continuously to ensure that their improvement objectives remain relevant, that the best arrangements for delivering them are in

place, and that they are able to understand and demonstrate the impact on the outcomes for citizens.

- 3.4 In discharging its duty, an authority must have regard in particular to the need to improve the exercise of its functions in terms of:
- (a) making progress towards an authority's strategic objectives (as set out in its community strategy) especially in terms of:
 - (i) the social well-being of the area;
 - (ii) the economic well-being of the area;
 - (iii) the environmental well-being of the area;
 - (iv) the long-term objectives of the area contributing to the achievement of sustainable development in the United Kingdom
 - (b) improving the quality of services;
 - (c) improving the availability of services;
 - (d) fairness especially in reducing inequality in accessing or benefiting from services, or improving the wellbeing of citizens and communities;
 - (e) exercising functions in ways that contribute to the sustainable development of an area¹;
 - (f) improving the efficiency of services and functions;
 - (g) innovation and change which contributes to any of the above objectives
- 3.5 All of these terms are defined in section 4 of the Measure and it is not the intention of this guidance to change or add to those definitions. What follows is guidance on how to apply them in practice.
- 3.6 The first of these, strategic effectiveness, is key to linking the community strategy, and the ongoing processes that underpin it, with an authority's improvement processes. It follows that those community planning outcomes and objectives to which an authority contributes should be central to that authority's improvement activity. In doing this authorities should be able to develop a clear narrative around their plans for improvement that will resonate with the citizens and communities that they serve.
- 3.7 The next three, **service quality, availability** and **fairness** all relate to: service provision, by aiming to meet the needs of citizens, and ensuring fair ease of access to the most suitable services that meet their needs. Clearly, all of these objectives can be demonstrated individually, or collectively. Fairness can also be demonstrated by exercising non-service functions in ways which reduce disadvantage and improve social well-being, for instance by improving citizens' access to information.

¹ See sections 4.19 - 4.22 of Guidance on Community Strategies and Planning

- 3.8 When carrying out its functions or providing services, an authority may demonstrate improvement when it operates in a way that contributes towards the sustainability of its area. Equally, on-going efficiency may also be shown if fewer resources are utilised while maintaining provision of substantially similar, or better, services. Should an authority choose to alter the manner by which a service is provided, and in so doing it uses fewer resources or more integrated services, it will not only be demonstrating efficiency, but may demonstrate improved sustainability as well.
- 3.9 The innovation aspect is slightly different. It covers any changes to service design and delivery methods that are intended to yield improvement under any other aspect, and are reasonably likely to do so. This allows authorities to make changes which may not have tangible effects within the same reporting year, but are likely to in subsequent years, and still count them as improvements.
- 3.10 Thus it follows that for an authority to successfully discharge its general duty it should incorporate the seven aspects of improvement into all of its decision-making processes and its assessments of functions and services. This would also extend to an authority's scrutiny functions².

Improvement Objectives

- 3.11 An authority's considerations around the general duty to improve should lead it to consider:
- (i) The setting of improvement objectives for the forthcoming year (or the reconfirmation or amendment of previous years' objectives that spanned more than one reporting year);
 - (ii) The fitness of the organisation to achieve them (the fitness of the organisation to fulfil the general duty and the delivery of the associated improvement objectives).
- 3.12 When deciding on the improvement objectives that it will consult upon an authority should consider those actions that would:
- best protect and enhance sustainable well-being of the area;
 - effectively balance and reconcile the (possibly competing) needs and aspirations of different individuals and different sections of communities, while ensuring fair and equitable treatment and outcomes for all;
 - Negotiating the agreed legitimacy of those needs (both within the context of agreed national strategic priorities and the competing demands for resources locally);
 - address known weaknesses (and anticipate likely ones) in an authority's ability to meet local needs and/or gaps between local expectations and reality;

² See sections 3.29-3.30

- entail efficient, effective and sustainable use of financial, natural and human resources in the pursuit of local benefits;
- clearly recognise the relationship between the well-being/ 'quality of life' of citizens and communities and the well-being of the area - within its social, economic and environmental contexts;
- recognise that while the pursuit of 'enhancement' is a major consideration it may well not be the first priority under all circumstances. Authorities should also be concerned with **protecting** well-being and quality of life from the things that threaten it, some of which threats may arise from well-intentioned efforts to enhance it;
- reflect an awareness and understanding of patterns, trends and possibilities within the social, economic and environmental contexts. This would include recognising both the threats that these may present to the sustainable well-being of communities and the opportunities they may offer for its enhancement;
- make full use of new and innovative approaches to achieve the above; and perhaps most importantly;
- be challenging but realistic. A 'wish-list' of unattainable objectives merely raises expectations unrealistically and is no more desirable than an unambitious set of self-fulfilling actions which do little to address genuine need. Authorities should reflect carefully on their capacity to effect positive change and formulate their objectives accordingly;
- Reflect the difficult choices that an authority may face when agreeing budgets and priorities. This may cause an authority to exclude some objectives that would otherwise be desirable. It may also mean some legitimate objectives have drawbacks: they may involve trade-offs between aspects of improvement, or may incur opportunity costs. Such an approach is both legitimate and necessary, especially in the face of resource constraints or where local needs are particularly acute.

Identifying Improvement Objectives

3.13 Authorities should determine their own priorities for improvement based on a thorough evidence-based understanding of the communities they serve, local needs and their capacity to address them. Improvement objectives should correspond directly with the authority's priorities for improvement. Authorities will, therefore, select their improvement objectives on the basis of critical self-analysis taking account of a wide range of evidence such as:

- The outcomes and priorities identified for an area in its community strategy and as up-dated through the on-going community planning process for an area³. Although it is not enough for an authority to stick rigidly to the outcomes and priorities set in the last published community strategy they should be subject to periodic review to ensure they are still the best articulation of a

³ See chapter 4 of Guidance on Community Strategies and Planning

community's ambitions for better outcomes and are then reformulated as medium-term shared actions for the local authority and its community planning partners. These priorities that arise out of the community planning process should be centred around the outcomes that citizens and communities expect and deserve;

- the corporate and service priorities contained within the previous year's improvement plan;
- priorities as identified through the statutory partnerships, such as the Children and Young People's Partnerships and their associated plans;
- the outcome of authorities' assessment exercises of both corporate functions and services provided using the most appropriate performance data, including, but not limited to statutory performance indicators and information from other sources such as citizen and user needs and satisfaction information and wider knowledge of community needs;
- audit, regulatory and inspection reports, especially the Annual Improvement Report issued by the Auditor General for Wales;
- the results of peer reviews and the outcomes of, and recommendations from, an authority's scrutiny processes;
- priorities identified through an analysis of performance data on previous years performance and in comparison with other organisations;
- evidence gained from consulting on improvement objectives in the previous year;
- national and international priorities as expressed by the Welsh Assembly Government, UK Government and the European Union;
- the global context - e.g. climate change and sustainability, economic conditions and threats to health.

3.14 Improvement objectives that have been chosen as a result of the above processes should have credibility with citizens, stakeholders and the authority's staff. This should translate into a better sense of 'ownership' of the ambitions for the communities and the area.

Formulating Improvement Objectives

3.15 Completing the above processes should allow authorities to draw up their improvement objectives for consultation. These can be in any form an authority chooses, but all improvement objectives should be:

- legitimate - making a demonstrable contribution to at least one (or, probably, more than one) of the aspects of improvement listed in the Measure;
- clear - setting out the visible improvement that citizens can expect;

- robust - with defined terms of success (whether quantitative or qualitative);
- deliverable - with established links to individual service programmes and budgets;
- demonstrable - capable of being supported by objective (but not necessarily measured or quantitative) evidence.

3.16 The first of these points is worth dwelling on. The aspects of improvement in the Measure are not a checklist for drawing up objectives and there is no need to use them as headings under which individual improvement objectives are grouped. Rather, they set out in broad terms the sorts of purposes which authorities will wish to achieve. Many if not most actual objectives will contribute to more than one aspect of improvement - for instance, action to improve access to services for Gypsies and Travellers might simultaneously address the 'fairness' and 'service availability' aspects, while reducing an authority's carbon footprint might address 'sustainability' and 'efficiency'. Equally, it is possible (if perhaps unlikely) for a set of objectives not to address one or more of the aspects of improvement at all. That is perfectly legitimate if it is defensible in an authority's particular context.

3.17 How many improvement objectives to set is again a matter for local decision. This is largely a question of an appropriate level of detail: the more detailed each objective is, the more there will be. Objectives can be too broad and aspirational, lacking the ability to inform effective action and accountability (eg "we will support healthier communities") and too narrow or operational, lacking an overall sense of purpose (eg "we will refurbish our leisure centres"). The best position is somewhere in between: objectives which both describe the overall purpose and the scope of action to deliver it (eg "we will provide more and better opportunities for citizens to engage in physical activity").

3.18 Overall, it is probably better in the interests of clarity and accountability to err on the side of having fewer objectives, with detailed links to service programmes, than to have a greater number of more detailed objectives. Either way, if the objectives taken together adequately address the main local priorities and needs, the exact number of them is less important.

3.19 The Measure requires that authorities set improvement objectives every year. However, that does not mean that all improvement objectives should change every year, or that they should all be deliverable within one year. It is perfectly legitimate to set objectives which span more than one year, perhaps with intermediate milestones, provided that authorities review them annually to establish their continued relevance.

3.20 Without prejudice to authorities' flexibility here, the scope and level of detail contained in most local authorities' 2008-2010 improvement agreement outcomes might provide a starting point for formulating improvement objectives. Indeed, in the early stages of the new WPI, improvement agreement outcomes themselves might form the basis of a viable set of improvement objectives.

3.21 Each authority must naturally agree its improvement objectives formally. The processes for doing so will be set out in each authority's constitution, but the importance of improvement objectives would normally dictate endorsement by the full Council. See also the section on "Role of Scrutiny" below.

Consulting on Improvement

3.22 Improvement objectives should capture the main priorities for an area and its citizens expressed in terms of what will be delivered by the authority during the year, and in future years, where this would be appropriate. It is thus vital that local interests are fully engaged in their development, as section 5 of the Measure requires.

3.23 Consulting on the general duty to improve and an authority's improvement objectives can happen at any time during each year, although it would make sense to align it with established or planned community engagement processes and events. The authority should aim to make the process of choosing, and rejecting, improvement objectives as open and transparent as possible. The authority should also ensure that this process is in keeping with its constitution and/or standing orders. In so doing an authority should aim to develop an on-going dialogue with the communities and areas that it serves so that the setting of improvement objectives is a jointly owned process centred on a balanced assessment of the needs of the community as a whole, rather than any particular organisation or interest group within it.

3.24 To achieve this authorities may consider providing outreach to citizens and community groups to help them understand the process for setting improvement objectives and the communities' interest and role in achieving its aims.

3.25 In any event, it is recommended that an authority should consult the following before setting its improvement objectives:

- citizens and stakeholders;
- local businesses and, where appropriate, potential businesses;
- its statutory and other community planning partners⁴;
- other authorities (especially where any proposed improvement objectives may have an impact upon them); and
- other bodies with whom collaborative working is taking place or is being planned.

3.26 Authorities will need to retain evidence of their consultations, or more broader engagement activity, so as to be able to demonstrate that their improvement objectives, and their plans for meeting them, have been properly set. In the interests of scrutiny and accountability this evidence should be retained in an easily accessible form.

⁴ See section 3.1 - 3.3 of Guidance on Community Strategies and Planning

Recording and Reporting Progress

- 3.27 Authorities will need to collect evidence of their progress in achieving their improvement objectives during the year. It is for authorities themselves to determine what constitutes the best evidence for the progress that they are seeking to make, and that is best done when improvement objectives are set. Evidence will need, however, to meet the requirements of the Auditor General for Wales and other relevant regulators. Such evidence may include one or more of the following:
- performance indicators; both those set locally and nationally;
 - qualitative information such as user, tenant and citizen satisfaction surveys (both surveys conducted by the authority or by other bodies);
 - progress in introducing or completing programmes, facilities or ways of working which contribute to the attainment of improvement objectives;
 - the outcome of scrutiny enquiries and other evidence from Members;
 - reports from regulators and inspection bodies; or
 - any other sources of evidence that appear to be relevant.
- 3.28 Note that there is a critical difference between an objective and the evidence of its accomplishment. The former describes a relatively broad priority or need which the authority seeks to fulfil; the latter demonstrates the extent to which it will do so, or has done so.
- 3.29 For instance, an authority might define one of its improvement objectives as “increasing the independence and quality of life of older people we care for”. It might then decide to pursue that by, amongst other things, increasing the proportion of older people cared for in their own homes, better publicising services for carers, or opening a new day care centre. These are actions that an authority may take that should lead to better outcomes for older people: they are not outcomes in themselves. Rather, they are partial and proxy evidence of how far older people’s independence may have improved. Such an objective would probably contribute to multiple aspects of improvement - at least “service quality”, “service availability” and “fairness,” and, if there were an appropriate reference in the authority’s community strategy, “strategic effectiveness” too.
- 3.30 Most sound improvement objectives will probably need a range of evidence to demonstrate their accomplishment. Certainly, authorities should avoid using performance indicators, targets and suchlike as objectives in themselves. In almost all cases they will be too narrow and too far removed from public understanding and need. Consequently they should be seen as only one of the tools to help demonstrate improvement.

3.31 In collecting evidence, such as outlined above, authorities should seek to collect together the body of evidence that will allow it to provide a narrative description of how successful it has been in pursuing its improvement objectives in order for it to give account for its performance to its citizens, stakeholders and regulatory bodies. It should focus not just on accounting for 'how much' or 'how well', but more importantly on what impact has been achieved. This range of evidence should be collated together and communicated in a report or reports, which section 15 of the Measure requires authorities to publish no later than 31st October in the following financial year. Chapter 5 gives more detail on this.

Role of Scrutiny⁵

3.32 There is a clear role for an authority's scrutiny function in its improvement processes: as part of its role in holding local decision makers and policy makers to account, and in its policy development role. This should extend to:

- scrutiny of the processes that an authority has gone through in the discharge of the general duty to improve;
- scrutiny of the fitness of the organisation to discharge the general duty to improve;
- scrutiny of the processes that the authority has gone through in the selection of its improvement objectives, including a review of the level of engagement with stakeholders;
- scrutiny of the monitoring of the progress of the delivery of the authority's improvement objectives;
- promoting innovation by challenging the status quo and encourage different ways of thinking and options for delivery.

3.33 If an authority's scrutiny processes are sufficiently developed to discharge the above, and there is clear evidence that this is the case then this scrutiny activity can be drawn upon by the Auditor General and relevant regulators in the course of their dealings with the authority. It will be for the Auditor General and relevant regulators to decide whether scrutiny processes are sufficiently robust to be relied upon in the exercise of their functions.

⁵ Sections 3.29 and 3.30 apply only to local authorities and do not apply to National Park authorities.

Chapter 4

Improvement Information

- 4.1 In order to support the setting of improvement objectives, and to better fulfil their community leadership ambitions, authorities will need to move from performance management arrangements that just cover the delivery of services that they provide to one that is aware of, and informed by, the effects that its provision of services and activities have on an area and its communities. This would include management of, and an evaluation of, the impact that the authority has on the community strategy outcomes.
- 4.2 Accordingly authorities should look to use a much wider ‘basket’ of evidence to assess the performance of their services and the impact they are having on the outcomes for citizens and communities. This will necessarily rely on authorities taking into account a wide range of evidence to use as improvement information. While performance indicators remain important sources of objective and comparable evidence, they do not necessarily yield a full picture of service quality or of users’ experience of it. This ‘basket’ of evidence may include any of the following:
- performance indicators (whether statutory, standard or local);
 - satisfaction data: citizen surveys, views of users’, tenants’ or citizens’ panels or juries (including the National Survey for Wales);
 - the number and nature of calls to contact centres or other points of contact with citizens;
 - service usage levels;
 - the outcomes of service assessments and peer reviews;
 - the outputs from an authority’s scrutiny process;
 - audit, regulatory and inspection findings;
 - levels of accreditation to recognised assessment schemes;
 - intelligence relating to a need for a project or programme (e.g. the construction of a new amenity); and
 - intelligence relating to a need for a new, or more innovative, means of service delivery.
- 4.3 Authorities are now required to use this improvement information that they collect in order to compare their performance with their own historical performance in previous financial years and with other authorities who provide similar services. This comparative assessment should be on-going throughout the year within an authority, but a summary needs to be published as part of the improvement report (see chapter six).

- 4.4 Conducting comparisons of performance should not be an end in itself, nor should it be a simple matter of computing an authority's place in an informal 'league table' or quartile distribution. It should inform an authority's assessment of its need to improve both the services it provides and the well-being of the communities and areas that it serves. Clearly the wider the 'basket' of evidence that an authority can draw upon the better placed it will be to plan and target its future improvement activity.
- 4.5 The evaluation of the broad basket of data provides authorities and their partners the opportunity to assess both past performance and achievements, but also identify short, medium and long term priorities where improvement is required. The analysis of the data can help in shaping the following year's improvement objectives, whilst assist in the identification and monitoring of actions required to meet the community strategy objectives under Part 2.

Statutory Performance Indicators

- 4.7 The Welsh Ministers may use their powers contained in the Measure to set national strategic measures that will allow authorities to quantify and report their contribution to major all-Wales policy objectives. Any national strategic measures will be set out by an Order of the Welsh Ministers and will be supported by additional guidance and definitions issued by the Welsh Assembly Government. Local authorities will be under a legal duty to collect and report on these indicators. They should do so by including the data in their improvement reports (see chapter six) and should also submit the data to the Welsh Assembly Government upon request. As with any performance information statutory performance indicators could be subject to external audit if the Auditor General determines it necessary or if the authority requests it.

Standard Performance Indicators

- 4.8 While Welsh Ministers will have an interest in setting performance measures that contribute to all-Wales policy objectives these are unlikely to be sufficient to provide a comprehensive, balanced and comparable picture of an authority's performance and its likelihood to improve. The ability to develop and communicate such a picture is nonetheless an essential improvement tool and at the core of the Wales Programme for Improvement. Authorities will require sound evidence to identify improvement objectives and assess the impact that they may have on services provided to communities and places.
- 4.9 The Welsh Assembly Government will continue to fund via the Welsh Local Government Association the maintenance of a set of nationally defined performance measures and will fund at least annual data collection. However the coverage and content of these indicator sets will be entirely a matter for

authorities, inspectors and regulators to decide among themselves. The Welsh Assembly Government will fund the Welsh Local Government Association to reach this agreement on an annual basis.

4.10 The nationally defined performance measures will:

- provide detailed and comparable information on the outcomes that have been achieved within and between the services that they cover, and on service availability and quality and the use of resources to support them;
- support authorities in explaining and accounting for their performance to stakeholders, and encourage their involvement in performance evaluation and priority-setting;
- meet some of the data needs of regulators and inspectors as far as possible, minimising the need to duplicate data;
- be capable of disaggregation to reveal differential levels of provision for, and performance regarding, different community groups and diversity categories;
- be flexible and dynamic, capable of evolving over time to reflect local authorities' and others' experience of using them;
- subject to the above, be comparable over time and across Wales, allowing authorities readily to identify where they have room to improve and equally where they have scope to share effective practice.

4.11 The last of these features is crucial. Benchmarking and identification and sharing of best practice are powerful drivers for improvement, drawing as they do on the collective experience and expertise of the wider local government family, and all authorities should take full advantage of that. No authority can participate fully in the WPI by acting in isolation, and doing so would normally constitute a material risk, both for the authority concerned and, insofar as it compromised the integrity of the system as a whole, at an all-Wales level.

4.12 Accordingly, all authorities should:

- participate fully in the arrangements for the ownership, development, upgrading and updating of the standard indicators (for instance, by proposing and/or piloting new measures to cover new ways of working, amendments to existing measures to improve their usefulness, or deletions of measures that are felt no longer to be valuable or too difficult to collect reliably);
- collect data against each of the indicators, and contribute them to the common pool by submitting them to the Welsh Local Government Association (or its appointed agents), which will pre-populate returns to facilitate this, where the data is drawn from existing sources;
- use the data appropriately, to account for and explain their activities to citizens and partners, and to engage them in the evaluation of progress and the setting of priorities. This could include, for instance, producing service-specific performance reports based on performance data, to inform discussion with partners and service-users.

4.13 Standard performance indicator data may be audited if this is deemed necessary by the Auditor General, such as if there are concerns about the robustness of the data collection systems in a particular area. Authorities may however request audit of particular performance indicators if they have concerns about the accuracy of the data yielded from them or as a result of particular interest in them.

Local Indicators

4.14 The nationally prescribed performance measures aim to capture performance across all the service areas they cover. They are not, though, fully comprehensive and cannot, in particular, measure delivery of particular local policies, priorities or projects, to which authorities are committed. And clearly they will not measure progress towards objectives that do not lend themselves to quantifiable measurement. Without ways of measuring those too the performance measurement framework would be neither comprehensive nor balanced within each authority.

4.15 Authorities should thus continue to develop and use their own local performance measures which reflect their individual circumstances and aspirations, as well as supporting detailed management and operational decisions. Moreover having decided on their improvement objectives authorities will need to be mindful of any additional data requirements that may arise and set local indicators for themselves accordingly. They should also use non-quantitative assessment tools as and when appropriate. In some cases, such approaches may be relevant to and usable by other authorities too, and authorities should thus again be willing to share their experiences of developing and using local indicators with their peers. However, section 9 of the Measure provides authorities with the power to collaborate, and section 12 requires authorities to consider whether such collaboration would assist in the discharge of their improvement duties. If so they must seek to exercise that power. Sharing experiences and indicator information is likely to fall within these provisions.

Other Improvement Information

4.16 Authorities will clearly require additional contextual data or community intelligence that will help them decide their improvement objectives and support their systems of governance and accountability. This additional improvement information is necessary for authorities to take into account the external factors that may impact upon a place or communities and will assist an authority in identifying and understanding:

- the needs and aspirations of all sections of the communities and other stakeholders that they serve, including future generations;
- Factors that might both threaten and offer opportunities for enhancing all aspects of community well-being; and feeding this information into all stages of the planning, delivery and evaluation cycle.

Chapter 5

Working Together⁶

Collaboration for Improvement and authorities' powers and duties

- 5.1 Earlier chapters of this guidance set out the basic principle that improvement should be externally-focused, concerned with delivering better outcomes for citizens and communities. It should not concentrate on strengthening an authority's internal processes and service outputs as ends in themselves.
- 5.2 Consequently, authorities need to consider the delivery arrangements which might best realise those outcomes. They should not assume that traditional or long-established processes are always suitable. In many cases, outcomes may be better, more quickly or more efficiently attained by authorities acting in collaboration with each other or with other organisations.
- 5.3 Collaboration is well-acknowledged as a means of driving many forms of improvement. Through working with other bodies - not just other authorities - an authority can, at least:
- improve strategic effectiveness by co-ordinating their operations with those of other bodies, to deliver community strategy outcomes that are not wholly within an authority's control;
 - improve service quality, fairness and innovation by adopting best practice from elsewhere or by sharing scarce managerial, professional or technical expertise;
 - improve service availability by, for example, increasing the proportion of front-line staff and reducing the administrative overhead;
 - improve efficiency and sustainability by realising economies of scale and drawing on greater buying power.

This may be particularly important in times when there is strain on public finances, and authorities naturally seek to protect front-line services and maintain a strategic focus. If managed properly, collaboration can both make better use of scarce resources and allow a wide range of services to be maintained.

⁶ The Welsh Ministers have no power to issue guidance on authorities' powers to collaborate under the Measure. This chapter thus has no statutory force and is advisory only.

The scope for improvement should be viewed accordingly. It is not limited to what authorities can provide or achieve by acting alone. Rather, if there is potential for authorities to achieve improvement through collaboration, then section 12 of the Measure requires those authorities to seek to collaborate. An authority which does not make full and proper use of collaboration will thus probably not have discharged its general duty adequately, even if it is meeting most of its improvement objectives and its own services are performing relatively well.

- 5.4 Putting effective collaboration arrangements in place takes time and resource, and the potential benefits need clearly to justify that. It is equally important for arrangements to be absolutely clear about respective roles and responsibilities, the governance of the project, and how participants will account internally and externally for its performance.
- 5.5 However, to remove the legal uncertainty that can delay or frustrate potential collaborative projects, section 9 of the Measure confers a general power on authorities allowing them to collaborate in order to secure continuous improvement; meet improvement objectives, and/or meet specified performance standards. Under this power, an authority can:
 - a. provide financial assistance;
 - b. enter into arrangements or agreements;
 - c. cooperate with or facilitate or co-ordinate the activities of another person⁷;
 - d. exercise functions on behalf of another person;
 - e. provide staff, goods, services or accommodation.
- 5.6 Authorities are not restricted in terms of who they may collaborate with. Most Welsh authorities are already familiar with collaborating with each other, equally, as long as there are no legal impediments for doing so, authorities may look to collaborate with other UK authorities, or organizations (third sector, charitable and businesses based in the UK and/or abroad).

Consultation and Reporting

- 5.7 Towards the beginning of each financial year, an improvement authority is obliged to publish its forward looking improvement plan outlining how it proposes to discharge its general duty and to meet its improvement objectives for the next 12 months or longer.

⁷ Note that “person” here means any entity with legal personality, including public bodies, companies and charities. It does not mean only an individual human being.

5.8 Authorities should consider from time to time whether the exercise of its powers of collaboration would assist it to discharge its general duty to improve. It is clearly for each authority to decide for itself when opportunities for collaboration are best considered but the following would seem opportune:

- when identifying where improvement is needed;
- when formulating, or consulting upon, improvement objectives;
- during the budget setting process;
- when considering service or staffing reconfiguration;
- when considering service delivery options;
- when responding to the outputs of, or recommendations from, scrutiny activity;
- on receipt of reports from inspectors and regulators; and
- when invited to do so by other improvement authorities or Welsh Ministers.

5.9 Authorities should publish a summary account of their past, present and future collaborative activity which supports the delivery of their improvement objectives. This need not be detailed or extensive. For example, “we are currently collaborating with authority X for the provision of Highway Maintenance in our two areas, allowing us both to draw on a shared pool of engineering expertise and reducing our capital costs”. Authorities may choose to use the publication of improvement information on or before 31 October each year to also publish the summary of its collaborative activity.

Chapter 6

Accountability for Improvement

6.1 One of the overarching principles of this revision of the Wales Programme for Improvement is that improvement must be grounded in the actual needs of an area and its citizens, not the internal workings of an authority. This principle needs to be equally applied to accounting for improvement activity in order to enhance the sense of co-ownership of the improvement process. The actual process of accounting for improvement falls into two equally important stages relating to the cycle of planning and reporting.

Plans and Intentions

6.2 The first stage of reporting should cover an authority's plans for that year. That principally means details of how it plans to achieve its **improvement objectives**, as follows:

- a general statement outlining the nature the authority's intentions for discharging the general duty to improve and its improvement objectives for the year;
- an explanation of why they were chosen and the outcomes that communities should expect if they are achieved;
- a statement on the process followed on the consultation on improvement objectives and any issues that arose from the consultation;
- a description of how the local authority plans to achieve each of the improvement objectives that it has set for itself;
- the evidence (including but by no means limited to performance indicators and targets) that the authority has set for itself in order to monitor its delivery of its improvement objectives (see chapter 4); and
- information on how communities or stakeholders may propose new improvement objectives during the year.

6.3 Section 15(7) of the Measure requires this information to be published as soon as reasonably practical after the start of the financial year to which the objectives relate. However, authorities may publish their improvement plan before the 1st April if they wish to do so.

Reporting Past Performance

- 6.4 The second stage of accounting for performance arises when an authority is in a position to be able to account for the success of the previous year's improvement activity⁸. This would normally be after final outturn performance information becomes available in the second or third quarter of the reporting year. This includes, but is not confined to, audited data yielded from statutory performance indicators. At this stage an authority will be in a position to collate retrospective information relating to its performance during the previous year, and disseminate it to a wide range of internal and external audiences.
- 6.5 There is a great deal of flexibility in how authorities choose to report on their performance, and authorities should always have regard to maximising accessibility to citizens and stakeholders. But for consistency in reporting and accountability it is recommended that authorities report:
- Evidence of the processes that the authority has gone through to discharge its general duty to improve as expressed in the previous year's improvement plan;
 - A summary assessment of the authority's view of its success in achieving its improvement objectives as set out in the previous year's improvement plan;
 - Performance as measured by all statutory performance indicators, whether or not these relate directly to improvement objectives;
 - Details of other performance information and its use;
 - Assessment of performance in comparison with itself in previous years and to other comparable bodies (including other authorities). However this should not just be a sterile assessment of comparative performance against performance indicators but should also include the results of peer review, scrutiny assessments and other sources of more qualitative information including benchmarking data.
 - Details of the ways in which the authority has exercised its powers of collaboration during the reporting year including details of whether a collaborative activity has achieved its intended outcomes.
 - Any statements of activity that the authority has issued as a result of any Section 19 reports issued by the Auditor General for Wales to that authority in that reporting year.

⁸ See also Chapter 6 of Guidance on Community Strategies and Planning

Publication

- 6.6 The Local Government (Wales) Measure 2009 creates an obligation on authorities to publish their improvement objectives, and plans for achieving them, at the start of the financial year and for the second stage performance information to be published before 31st October in the financial year after the year to which the information relates. In strict terms, to publish something means only to make something public. Neither the Measure nor this guidance requires authorities to publish information in a particular way or in a particular format. The only duty is to publish the full range of information as required by section 15(2) and (6) of the Measure. Authorities should publish in a way that best suits the needs of the audiences at whom the information is aimed, which would normally include both hard-copy and electronic publication.
- 6.7 The needs of the various audiences are bound to differ. Citizens, for instance, may be most interested in information relating directly to their areas or to the services they personally receive, whereas scrutiny committees and partner organisations may require more detailed or technical information. While authorities are free to publish information in a single document if they wish doing so entails trying to meet multiple diverse needs simultaneously and risks not fulfilling any of them adequately.
- 6.8 Authorities may thus wish to consider publishing material in different ways for different audiences. Examples of how to do so might include:
- Having a main document or publication covering the attainment of improvement objectives, details of performance information collected and its use, assessment of performance in historic terms and comparison with other authorities, details of collaboration and statements in response to reports issued by the Auditor General, with more detailed or technical information (such as the full range of PI data) available online;
 - Publishing or signposting information of particular interest to users of particular services, or particular community groups;
 - Accounting separately for performance in different parts of an authority's area.
- 6.9 In all cases, though, the full extent of information available should be clear and readily available to all audiences.
- 6.10 Authorities should naturally adhere to the terms of their approved Welsh language schemes in publishing improvement information. They should publish in both Welsh and English unless their language scheme permits monolingual publication only.

Wider Public Engagement

- 6.11 Much of the above information will necessarily be detailed, lengthy and technical. While it will be of close interest to authorities and their partners, it is unlikely to attract a wide readership in the communities that an authority serves. Authorities should thus publish improvement plans and performance information in ways which facilitate wider engagement with those it serves and to stimulate dialogue on the authority's priorities and progress towards meeting them. That would typically mean a summary version of both the forward-looking and retrospective information.
- 6.12 The content of any summary is for each authority to decide, but it should be fair and balanced, and should provide a general readership with:
- an overview of the authority's priorities and improvement objectives;
 - a summary of how far they have been met in the past year and an assessment of whether they have improved outcomes for citizens;
 - a summary of improvement objectives planned or undertaken in the current year;
 - details of how to obtain further information (for instance, copies of the full plan), how to provide any comments on the authority's performance, and how to influence the planning and delivery of an authority's services more generally.
- 6.13 Any summary should be published in hard copy and on the Internet, in Welsh and in English, subject to the terms of each authority's Welsh language scheme. Authorities may also consider making it available in other languages which are commonly spoken in their areas, and in formats such as Braille, large print and audio, which are accessible to those with sensory disabilities. Authorities are reminded of their duties under Part III of the Disability Discrimination Act 1995 in this area.
- 6.14 Authorities should ensure that the citizens and communities they serve are aware of the existence of the plan and summary, and have ample opportunity to obtain copies. They should also actively seek feedback and comments on the proposals they contain. Steps authorities might consider taking include:
- publicising information in a local newspaper, or authority-provided newsletter (if any);
 - placing copies in local libraries and ensuring library staff are able to advise citizens of how to obtain more detailed information about their authority's performance;
 - making copies available at the authority's offices;
 - sending copies to town and community councils, partner organisations and community groups.

Flexibility

6.15 The essence of this chapter is concerned with effective communication and accountability, not with prescribing particular means of doing so. Each authority is best placed to judge how exactly to communicate and account for its performance and its intentions, and this guidance deliberately leaves open a number of choices and possible approaches. For instance, authorities are free, if they wish, to:

- publish improvement plans which cover a longer period than one year, provided that they are updated annually;
- publish at any point prior to the statutory deadline given above, the test being only that the information published is reliable;
- use any title or brand, provided that the text makes clear that it discharges the relevant statutory duty;
- include the required content in any other document, such as the authority's corporate plan, or combine it with such a plan;
- include a public summary in any other publication, such as an authority-issued newsletter.

Chapter 7

Assessment, Regulation and Inspection

- 7.1 This chapter provides a general description of the work of the Wales Audit Office (WAO) and relevant regulators (see paragraph 7.3) in relation to the Wales Programme for Improvement. As neither the Welsh Ministers nor the WAO have any power to issue guidance on these matters, this chapter has no statutory force. We have included it simply to describe the work of the WAO and relevant regulators in a wider context. It is based on their proposals and uses terms (for instance, titles of assessments) that are not used in the Measure but which the WAO intend to use when they carry out their inspections under the Measure. We have, though, identified the provisions of the Measure to which they relate.
- 7.2 The term “WAO” means the Auditor General and their staff. The legal functions underlying the work of the WAO are strictly functions of the Auditor General, but we refer here to the WAO, unless the context requires otherwise. The term “relevant regulators” means Her Majesty’s Chief Inspector of Education and Training in Wales (Estyn), the Care and Social Services Inspectorate Wales (CSSIW), the Fire and Rescue Adviser with Her Majesty’s Inspector status, the Welsh Language Board and auditors appointed by the Auditor General. The term is used here only in relation to their “relevant functions”, which are set out in section 16 of the Measure.
- 7.3 The WAO and relevant regulators work to benefit members of the public as they report on services to provide assurance and to enhance accountability, promote improvement, and inform government policy to help develop better services. Their work also helps to ensure the transparency that leads to better decisions and better outcomes.
- 7.4 The primary responsibility for services rests with those who provide them, working within policies and performance frameworks set by government. Consequently, the WPI, while providing independent assurance and support for improvement, takes account of the fact that service providers are primarily responsible for the assessment of service delivery. In undertaking their work the WAO and other relevant regulators will, without prejudicing their statutory functions, be guided by the principles set out in the Welsh Assembly Government’s Inspection, Audit and Regulation in Wales Policy Statement⁹.

⁹ Inspection, Audit and Regulation in Wales Policy Statement Issued October 2009 and available on the Welsh Assembly Government’s website.

Outline of the work of the WAO and relevant regulators

- 7.5 The main piece of work for the WAO and relevant regulators under the Programme is an annual **Improvement Assessment** (conducted under section 18 of the Measure) for each authority to determine whether the authority is likely to comply with the requirements of Part 1 of the Measure. The WAO 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).
- 7.6 In order to fulfil these requirements the WAO will undertake the following:
- Corporate Assessment** - a forward-looking assessment of an authority's likelihood to comply with its duty to make arrangements to secure continuous improvement;
- 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.
- 7.7 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).
- 7.8 An important ancillary activity for the WAO 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.
- 7.9 These items of work are described in more detail below. In addition, the Auditor General must prepare and publish a statement of practice. This Chapter does not replace or form part of that statement. The statement of practice describes the way in which the Auditor General intends to exercise key functions in relation to the Measure in accordance with the principles that:
- his functions are exercised consistently between authorities;
 - appointed auditors should discharge their functions independently;
 - functions are exercised proportionately and do not impose an unreasonable burden upon Welsh improvement authorities;
 - functions are exercised with a view to assisting improvement authorities to comply with Part 1 of the Measure.

The statement sets out how, in accordance with these principles, the WAO will work with the relevant regulators to ensure effective activity planning, collaboration and proportionate exercise of functions.

- 7.10 It should be remembered that the Auditor General and relevant regulators also have functions under other legislation that lie outside the Measure. In particular, the Auditor General has duties and powers under the Public Audit (Wales) Act 2004 to undertake studies of authorities, such as studies to improve economy, efficiency and effectiveness in the provision of services. Similarly, the auditors appointed by the Auditor General have duties to undertake the audit of the accounts of authorities.
- 7.11 The Care and Social Services Inspectorate for Wales has statutory functions to encourage improvement in social care, social services and early years through regulation, inspection and review. In relation to local authority social services its functions are set out in the Health and Social Care (Community Health and Standards) Act 2003.
- 7.12 Estyn carries out its inspections of local education authorities under Section 38 of the Education Act 1997 which provides that Her Majesty's Chief Inspector of Education and Training in Wales (HMCI) 'may, and, if requested to do so by the Secretary of State, shall, arrange for any local authority to be inspected'. HMCI may, under section 41 of the Education Act 1997, as amended by the Public Audit (Wales) Act 2004, request the WAO to assist with any inspection.
- 7.13 While these functions are independent of the Measure, the WAO has a responsibility under the Measure to work with the relevant regulators to co-ordinate certain activity and use it to inform work under the Measure and vice-versa.

Improvement Assessment

- 7.14 The Improvement Assessment (section 18) will include a forward-looking Corporate Assessment, and a retrospective Performance Assessment in order to inform a view of the authority's track record of improvement. Both assessments will be informed by the improvement information and planning audit (section 17). While section 17 and section 18 each amount to distinct legal functions and are described here as distinct elements, they are linked and will be used together to inform the WAO's assessment of each authority.
- 7.15 The section 17 audit of improvement information and planning will be undertaken in two parts to align with the authority's publication of its improvement plan (section 15(6)) and its retrospective assessment of performance (section 15(2)).
- 7.16 The WAO will be carrying out work throughout the year to inform both the corporate and performance assessments and will be feeding back findings to the authority. It will undertake authority-wide reviews of relevant governance and management arrangements, supplemented where necessary by reviews of specific functions and activities. Where appropriate, the assessment will involve gathering and reviewing information from members of the public and other stakeholders, as well as information from within the authority. It will also be

informed by the work shared by relevant regulators; including audit work done in relation to the authority's accounts. The Measure provides a specific information sharing mechanism (section 33) for this purpose, and therefore all relevant regulators are required to bring together their information to contribute to the Auditor General's Improvement Assessment and Annual Improvement Report.

Forward Looking Corporate Assessment

- 7.17 For each financial year, the WAO will assess each authority in terms of whether it is likely to comply with the requirements of the measure. The WAO will consider, among other things, the authority's published improvement plan (section 15(6)) which will contain its improvement objectives and plans for meeting them as well as the general duty to make arrangements to secure continuous improvement. The WAO will consider the authority's track record of improvement and whether its governance and management arrangements effectively support improvement. The WAO will draw upon the work of other relevant regulators in the assessment.
- 7.18 The first part of the section 17 audit will be a WAO audit of the authority's discharge of its duties under section 15(6) and (7), the publication of an improvement plan. This will take place during the early part of the financial year and will inform the corporate assessment.
- 7.19 For each financial year, the Auditor General will issue a Corporate Assessment Report (section 19) to each authority. The exact timing of the report will depend on when the authority finalises and publishes its improvement plan (section 15(6)). Authorities are required to publish their plans 'as soon is reasonably practicable after the start of the financial year'. The Auditor General's report is likely to be published between April and June and will state whether she/he believes that the authority is likely to comply with the statutory duty to make arrangements to secure continuous improvement during the current financial year, he/she may also comment on whether the authority is likely to comply in subsequent years.

Retrospective Performance Assessment

- 7.20 For each financial year the WAO will undertake a Performance Assessment with the main purpose of tracing improvement over time. The WAO when making an assessment of performance will consider, among other things; the authority's own published assessment of performance (section 15(2)), as part of the section 17 audit, and the findings from any work undertaken by the WAO and other relevant regulators to assess service performance. As with the forward looking corporate assessment, this work will, where appropriate, involve gathering and reviewing information from members of the public and other stakeholders. And, again, it will also be informed by the work shared by relevant regulators (under section 33 of the measure), including audit work done in relation to the authority's accounts.

7.21 The second part of the section 17 audit will be an audit of the authority's discharge of its duties under section 15 (1) to (5), the authority's assessment of performance. This will inform the WAO performance assessment which will review:

- the overall level of improvement attained;
- progress made on meeting improvement objectives;
- inclusion of performance indicators (local and national);
- achievement of both the Assembly Government's specified and the authority's self imposed performance standards;
- performance over time and against other authorities;
- collaborative activity; and
- arrangements for data collection and use, and the overall adequacy of performance information.

7.22 The performance assessment will be reported in the Auditor General's Annual Improvement Report (see 7.26).

Special inspections

7.23 If the Auditor General is of the opinion that an authority may fail to comply with the requirements of the Measure, or if a relevant regulator informs the Auditor General that they are of such an opinion, then the Auditor General may carry out a special inspection of the authority. Such inspections may relate to some or all of an authority's functions. Before deciding whether to inspect, the Auditor General must consult the Welsh Ministers. And where the Auditor General has stated in an assessment report that he/she is minded to inspect, he/she must consider any response made by the authority.

7.24 Where the Auditor General undertakes a special inspection, he/she will issue a report to the authority and the Welsh Ministers. This will set out any matters in which the authority is failing or may fail to comply with the Measure. The Auditor General may also recommend that the Welsh Ministers should provide assistance to the authority or issue it with directions.

7.25 Relevant regulators may also, outside the special inspection function, take their own action, co-ordinated with the WAO and other relevant regulators as appropriate.

Published annual improvement reports

7.26 By the 30 November each year, the Auditor General will publish an annual improvement report on each authority which:

- summarises the corporate assessment report;
- reports on the WAO performance assessment work;
- summarises or reproduces any special inspection reports that may have been undertaken;
- summarises or reproduces any reports undertaken by relevant regulators.

7.27 The annual improvement reports will be available on the internet and will be written in such a way as to make them accessible and meaningful to members of the public.

Co-ordination of assessment and regulatory work

7.28 The Auditor General is required to produce a timetable for each authority setting out the dates and times during which the WAO and the relevant regulators should undertake their work in relation to the Authority. The Auditor General will consult the relevant regulators before setting the timetable. In producing the timetable, the Auditor General will follow the principles of his Statement of Practice. For example, he/she will work with the relevant regulators to ensure that relevant functions are co-ordinated so that they are, taken together, exercised proportionately.

7.29 Some of the regulation and inspection activity will flow directly from the Wales Audit Office's improvement assessment and audits. Equally some of the activity will flow from the regulatory and inspection activity of other relevant regulators.

7.30 The regulatory timetable will take all regulatory and inspection activity into account, and attempt to establish a programme of activity that meets the needs of the authority, the WAO and relevant regulators to provide public assurance and drive forward service improvements. The intention is to devise a coherent and efficient programme of activity that fulfils the requirements of the WAO's and relevant regulators' functions. Once set, the WAO and the relevant regulators must take all reasonable steps to adhere to the timetable. Clearly it is in authorities' interests that the WAO and relevant regulators are able to adhere to this timetable. It is therefore important that authorities provide any requested support to the process.