



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

# Annual Improvement Report

## **Conwy County Borough**

## **Council**

January 2011



## Annual Improvement Report by the Auditor General for Wales

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

This Annual Improvement Report sets out that picture and each year we will produce a report to let you know what progress Conwy 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](mailto: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 Huw Lloyd Jones and John Roberts under the direction of Alan Morris.

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](mailto:info@wao.gov.uk), or see website [www.wao.gov.uk](http://www.wao.gov.uk).

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# What kind of area is Conwy County Borough?

1 Conwy County Borough (the County) stretches south about 35 kilometres from the coastal resorts of Conwy, Llandudno and Colwyn Bay to remote villages such as Penmachno. The County covers an area of over 1,100 square kilometres, the sixth largest among the 22 local authorities in Wales. The River Conwy flows north through the County; most land on each side of the picturesque Conwy Valley is rural, while much of the area to the west of the Conwy Valley is rugged and mountainous and lies within the Snowdonia National Park. The A55 expressway connects the north of the County to neighbouring Gwynedd in the west and to Denbighshire in the east.

geographic area

1,100 km<sup>2</sup>

//////////

population

approx 111,000

//////////

17.2% is aged 0-16

24.1% is aged >65

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2 Based on the latest estimate (2009), the County's population is about 111,000. On average, Conwy is less densely populated than most local authorities in Wales but the population is very unevenly distributed. About 80 per cent of people live in the narrow coastal belt stretching from Llanfairfechan in the west to Abergele in the east. Visitors swell the population, especially during the summer, both on the coast and in the rural areas.

3 The age profile of the County's population shows that 17.2 per cent of the population are children (aged 0 to 16) while 24.1 per cent are aged 65 or over. This means that Conwy has the second lowest proportion of children of all local authorities in Wales, and the highest proportion of older people by a considerable margin. This age profile reflects the continued popularity of the coastal area as a place in which to retire.

# Is Conwy County Borough Council well managed?

- 4 Managing such a large organisation with its diverse range of services is very complex. In August 2010, the Wales Audit Office produced a report, called the Corporate Assessment, that gives some detail about how the Council is organised and managed. We have set out our main conclusions in [Appendix 3](#). The full Corporate Assessment Report is available on the Council's website ([www.conwy.gov.uk/accountability](http://www.conwy.gov.uk/accountability)) or on the Wales Audit Office's website at [www.wao.gov.uk](http://www.wao.gov.uk).
- 5 The overall conclusion of that report was that many aspects of corporate arrangements now support improvement. However, we found that uncertainty at senior management level was a potential risk to the Council's ability to address the challenges that lie ahead.
- 6 In other words, we found that the Council has maintained the progress it has made in recent years despite the difficulties it has faced because of the continued absence from work of its Chief Executive. The challenge ahead is to stay focused on making sound decisions about what it wants and can afford to do, both alone and in partnership with others.
- 7 The key messages from our report were that, since 2005, the Council has made significant progress in the way it manages its business. It has developed effective systems to monitor the performance of its services. Councillors and officers work together well to identify and then plan to deal with potential problems that lie ahead. Swift action in appointing an interim management team has meant that the Chief Executive's absence has caused no loss of momentum in the Council's business.
- 8 We also reported that the Council has been working to make clearer its priorities in a way that should help it to evaluate the impact of its work more effectively. The Council has begun the important task of aligning its finances and other resources more closely to these priorities in the increasingly challenging financial climate. The Council has been working well with other public sector bodies to deliver a range of its services and was actively considering the merits of further partnership working.
- 9 Since we issued our Corporate Assessment, Council leaders have continued to manage well the potential risks that we identified in our report. There has been some innovative work in some areas. For example, groups of councillors and staff have considered how the Council might improve in each of the six key areas and have made useful recommendations that are now being implemented. The Council has made further progress in its use of the Ffynnon performance management software and in making better use of data about its performance.
- 10 The Council has continued to work well with its partners and has agreed a Statement on Collaboration that provides some principles to guide future decisions about joint working. The Council decided not to proceed with a proposal to share a key head of service post with a neighbouring council. After full consideration, the Council decided that the risks attached to the proposal outweighed the potential benefits.

- 11 Since we produced the Corporate Assessment, the pressure has grown on all public services to make the very best use of all their resources. 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 £2.5 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<sup>1</sup> cut of around £5.3 million (3.6 per cent). Indicative Assembly Government figures show further real terms reductions in the Council's revenue funding for 2012-13 and 2013-14.
- 12 Capital funding is the money that councils spend on infrastructure, for example new buildings and new equipment. The capital funding available to the Council from the Assembly Government in the form of general capital grant and supported borrowing is set to reduce considerably. The total sum of this form of capital available to 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 2013-14.
- 13 However, the Council has been successful in attracting other sources of capital through specific Assembly Government grants and from the European Union. Despite the reduction in general capital grant and supported borrowing, the Council's capital programme for 2011-12 will be larger than in 2010-11. Major projects include the development of Eirias Park and the Waterfront in Colwyn Bay, and the major refurbishment of the Council's only special school.
- 14 The Council has made good progress in developing its financial planning since we produced the Corporate Assessment. The Council now estimates that it will need to find revenue savings of £15.7 million over the three years beginning in 2011-12, over £6 million less than it had originally anticipated. Detailed work by officers and councillors, well supported by individual services, has identified savings amounting to £11.8 million so far. This includes savings of £5.65 million from the 2011-12 budget, equivalent to about three per cent of the 2010-11 budget.
- 15 The savings identified so far represent a prudent combination of service modernisation, efficiency measures and increased income generation to meet the expected lower level of Revenue Support Grant than in the past. However, the Council also received about £33 million in specific grants in 2010-11 and anticipates future reductions in this source of income, too. More remains to be done, therefore, to find the necessary savings and the Council has asked heads of service to build on their earlier work by considering a further round of savings.
- 16 The auditors appointed by the Auditor General have confirmed that the Council's financial statements for 2009-10 present a true and fair view of the Council's financial transactions. Their annual audit letter, which provides information regarding the accounts, use of resources and the Council's Improvement Plan is included in this report as **Appendix 4<sup>2</sup>**.

<sup>1</sup> 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.

<sup>2</sup> There is more information about people's rights in relation to council accounts in the Wales Audit Office leaflet, *Council accounts: your rights*, which you can find on our website at [www.wao.gov.uk](http://www.wao.gov.uk).

# Does Conwy County Borough Council know what it needs to do to get better?

- 17 The Assembly Government requires all councils to publish their plans for improving their services. They must also publish a list of the main things they are aiming to improve each year – their Improvement Objectives. For 2010-11 the Council has decided to concentrate on 10 objectives, which we have set out below:
- We will promote the Welsh language and culture so that our children are proud of their heritage – their ‘Welshness’ – and are happy to share this with their families, communities and with people who visit the area.
  - We will deliver a tourism plan that includes the whole County that promotes and makes best use of our natural and built environment, our facilities and our culture, heritage and language, in a co-ordinated way.
  - We will work with partners and the business sector regionally and sub-regionally, to develop key business areas that complement our neighbours, ensuring a balanced diverse local economy in order to regenerate communities and offer quality jobs which will contribute to retaining younger people in the area.
  - If you are older, we will support you to maintain your independence and place in your community.
  - We will make sure our children get the best educational and social start enabling them to take a fulfilled role in society.
  - We will provide additional support for care leavers and we will support young people entering and leaving the Youth Justice System to enable them to take a fulfilled role in society.
  - We will work with local businesses to identify skills gaps. And then support people to increase their skills and get into work so that they are less dependent on out of work benefits, have improved mental and physical well-being and increased disposable income.
  - We will talk to our communities about the likelihood and possible consequences of flooding and coastal erosion.
  - Maximise the use of our technology to modernise our working practices, reducing the need for paper based working.
  - We will lead the way in making sure we contribute towards a sustainable future.
- 18 These Improvement Objectives are a subset of the Council’s existing priorities, as set out in its Corporate Plan that covers 2008 to 2012. The Council reviews this plan each year and, in 2010, included the new requirement to establish Improvement Objectives as part of its review. This is an appropriate approach, enabling the Council to take account of the new legislation within its existing planning cycle. The Council has made it clear that all the objectives in the Corporate Plan still represent its priorities but that its Improvement Objectives will be its key priorities should there be a need for further reflection in the context of a smaller budget.
- 19 The Council must publish its Improvement Objectives for the year as soon as practical after the beginning of April. The Council’s Cabinet approved the Improvement Objectives on 11 May 2010 and they were made available on its website later that month. The Council approved them on 1 July 2010. The Council’s timescale for publishing its Improvement Objectives in 2010 therefore met the requirements of the Local Government Measure.

- 20 The Council's website provides only one way for citizens and stakeholders to learn about the Improvement Objectives. However, we acknowledge that the Improvement Objectives form part of the Corporate Plan which was distributed widely when it was first produced, and designed in a style that was aimed predominantly at citizens. However, we think that the Council should, in future, consider ways of refreshing public interest in its annual Improvement Objectives by using media such as its Bulletin or a local newspaper as well as its website.
- 21 We also examined how well the Council involved local people and those that work with and for it, in deciding what it should make a priority. We recognised in our Corporate Assessment report that the Council's priorities are generally consistent with those in the Community Strategy. The Council involves stakeholders well in determining its priorities. This engagement has included 'Meet the Council' events, and community dialogue on specific projects such as primary school modernisation, extra care housing and waste recycling. The Council has taken the pragmatic approach of not consulting stakeholders specifically on its Improvement Objectives, since they form a subset of the priorities that were already in place. However, the Council has used the information it had already gathered and worked with members and staff to arrive at its Improvement Objectives.
- 22 To ensure that the Council's improvement plans are sufficiently focused, we examined whether the Council is clear about how people will be better off if it improves in the ways that it intends to. As published, the Improvement Objectives have some shortcomings. Most of them begin by setting out what the Council will do and then go on to outline in only a general way how the local community and citizens will benefit as a result. The Council has not defined within the document how it will determine the extent to which it has been successful in meeting its Improvement Objectives.
- 23 The Council has developed a set of indicators and measures that it uses, alongside a descriptive summary of progress, to assess its performance against all the objectives in the Corporate Plan, which include the Improvement Objectives. The Council routinely reports each year on its performance against these indicators and measures in its Annual Report. However, the measures the Council uses tend to reflect the first part of its Improvement Objectives – what the Council plans to do – and they focus less on the benefits that citizens will see.
- 24 **Exhibit 1** shows an example of the measures used by the Council to assess its performance in its 2009-10 Annual Report. The measures chosen give an indication of how much the Council, in partnership with the Assembly Government, has done. But they provide no assessment of whether or not the Council has achieved the objective of 'a balanced, diverse local economy' or the extent to which it has 'contributed to retaining younger people in the area', as planned.



## Exhibit 1

### Improvement Objective

Work with partners and the business sector regionally and sub-regionally, to develop key business areas that complement our neighbours, ensuring a balanced diverse local economy in order to regenerate communities and offer quality jobs which will contribute to retaining younger people in the area.

### Measures

- number and type of businesses supported by the Council or the Assembly Government;
- number and type of jobs created by businesses that were supported by the Council or the Assembly Government;
- number of jobs created through convergence funding;
- number of businesses financially supported through convergence funding;
- pre-start businesses supported; and
- number of grants provided to new businesses.

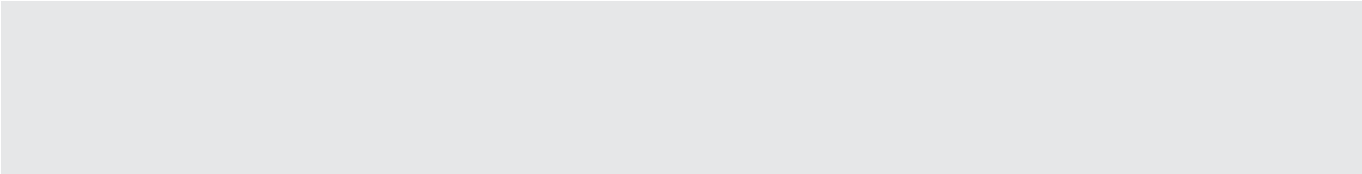
- 25 We also assessed the Council's arrangements for planning and resourcing improvements. As we explained above, the Council's Improvement Objectives are drawn from its four-year Corporate Plan which runs until 31 March 2012. The Corporate Plan is underpinned by the Corporate Delivery Scheme, which sets out in greater detail the actions that should lead to the delivery of its Improvement Objectives. The Corporate Delivery Scheme forms an important link between what the Council wants to achieve and the activities that individual services undertake in order to deliver.
- 26 The reduction in the financial resources available to the Council has so far had only a slight impact on its priorities. There has been little change in the things that the Council said it would do when it first published its Corporate Plan in 2008. This consistency in approach reflects, in part, the fact that the Council has not been specific in defining its objectives, so that it can still work towards them with reduced budgets. However, the Council has developed robust systems to ensure that it considers all its financial decisions in terms of their impact on its priorities. It has also agreed a 'statement on collaboration' that provides a good basis for considering future proposals to work with others in order to be able to deliver services more cost effectively.
- 27 In the light of the reduced general capital resources that will be available, the Council has taken the prudent decision to find a medium-term solution to its office accommodation problems, and to hold back on earlier proposals that would have required significant expenditure on new buildings.

- 28 Every council needs to have good information and to use it well if it is to provide good services and to improve them further. The Council's Appointed Auditors have concluded that, in 2009-10, the Council has maintained a good level of accuracy in compiling its National Strategic Indicators<sup>3</sup>.
- 29 In monitoring and reporting its performance in relation to its Improvement Objectives and other priorities, the Council has chosen a 'basket' of indicators that includes some of the statutory National Strategic Indicators, other non-statutory performance indicators that are collected nationally as well as local indicators. It is also a member of various benchmarking clubs, and uses some of the data that it gets as a result to monitor aspects of its performance. Together, these data provide a well-defined and consistent set of measures against which to monitor progress. Where possible, the Council is increasingly reporting comparative data that helps councillors and other interested stakeholders gauge how well the Council is performing. The Council also compares its performance on most indicators against targets set at the beginning of the year, providing further context for assessing its progress. However, the Council has published targets for the year ahead in its Annual Report only for the statutory National Strategic Indicators.
- 30 Although the Council's arrangements for monitoring its performance are appropriate, there are improvements that the Council can make in terms of the type of information it gathers and uses to assess its progress towards achieving its Improvement Objectives. In particular, the set of data that the Council measures and reports does not, in some cases, reflect adequately the outcomes it is trying to achieve. We identified as an area for improvement in our Corporate Assessment that the Council should 'develop the use of outcomes and associated qualitative and quantitative measures in the definition of objectives and priorities'.
- 31 There has been considerable progress in this respect in recent months. In particular, the Council has been developing its new Outcome Agreements. The draft Outcome Agreements relate to the same priorities as the Council's Improvement Objectives. These drafts include a clearer focus than before on what needs to improve and a much broader range of evidence against which the Council's performance might be judged. There are promising signs, therefore, that the Council is already addressing the shortcomings we have identified above.

<sup>3</sup> The National Strategic Indicators form part of the performance measurement framework of nationally agreed and defined performance measures for local authorities. The framework provides a mixture of strategic and operational measures across a range of local authority service/policy areas. Local authorities must report their performance against the National Strategic Indicators each year.

# Is Conwy County Borough Council serving people well?

- 32 Through the Auditor General's Improvement Assessment we hope to gradually build a picture of how well the Council is serving local people. Each year we will examine the Council's services and its progress against some of its Improvement Objectives in relation to three important aspects of life in the County and 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.
- 33 In this year's assessment we have looked in most detail at how the Council is doing so far in relation to one of its objectives for each of these three aspects. We chose these objectives because together they span several key areas of the Council's responsibilities. Overall, if the Council has chosen to make things a priority, then it should be able to measure them in terms of how they affect local people. We will look in more detail at other improvement objectives the Council has set itself in our report next year.
- 34 The objectives we have chosen to examine in most detail this year are:
- If you are older, we will support you to maintain your independence and place in your community.
  - We will work with local businesses to identify skills gaps. And then support people to increase their skills and get into work so that they are less dependent on out of work benefits, have improved mental and physical well-being and increased disposable income.
- We will deliver a tourism plan that includes the whole County that promotes and makes best use of our natural and built environment, our facilities and our culture, heritage and language, in a co-ordinated way.
- 35 In addition, we have considered the views of the Welsh Language Board on the Council's progress in delivering services to the public in Welsh. The Welsh Language Board works with councils 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 which provide them, working in accordance with the statutory framework and guidelines of the Welsh Language Board. Every council is expected to provide the Welsh Language Board with an annual monitoring report that explains how its scheme has been implemented. This report allows the Welsh Language Board to offer advice as to how a council might improve its local arrangements. The Welsh Language Board also undertakes its own reviews to assess the provision of Welsh language services and to promote improvement.
- 36 The Welsh Language Board has praised the Council's efforts to mainstream the Welsh language into its corporate planning and its customer care agenda. The Council has commissioned independent monitoring to make sure that it complies with its Welsh Language Scheme and to include subsequent recommendations in its improvement plans. The Welsh Language Board has found that the Council's websites, electoral documentation and statutory and recruitment adverts comply with the Welsh Language Scheme. However, the Council



has no up-to-date record of the language skills of its staff. It was also unsuccessful during 2009-10 in its attempts to appoint Welsh speakers to 70 per cent of the 47 posts for which the ability to speak Welsh was designated 'essential'. These issues could increase the burden on the Council's translation department and put at risk the Council's ability to offer services to the public that meet the statutory requirements of its own Welsh Language Scheme.

- 37 Although the percentage of Welsh speakers in the County has fallen since 2001, just over 34 per cent of the population of the County could speak Welsh in 2009 compared with just under 26 per cent of the total population of Wales. One of the Council's improvement objectives is: to 'promote the Welsh language and culture so that our children are proud of their heritage – their 'Welshness' – and are happy to share this with their families, communities and with people who visit the area'.
- 38 The use of Welsh in schools has increased in recent years, with more pupils at both primary and secondary levels following Welsh First Language programmes of study and using the language as a medium for learning other subjects. This means that more pupils than before are leaving primary schools with a good level of bilingualism, and more pupils are also choosing to carry on developing their bilingualism when they start in secondary school.

## Is Conwy County Borough Council supporting people in need?

- 39 Councils are responsible for providing a number of services that support vulnerable people. They provide social care for vulnerable children and adults, practical help to enable people with disabilities to live independently and accommodation for those who find themselves homeless. Councils are also responsible for administering Housing and Council Tax Benefits and they try to help people become home owners by ensuring a supply of affordable housing.
- 40 The Council prevented 77 per cent of potentially homeless families from becoming homeless in 2009-10. This is a better performance than in the previous year and is better than the average in Wales. However, homeless households with children spend, on average, much longer in bed and breakfast accommodation than in most authorities. The Council's performance improved slightly in 2009-10 in this respect, but it remains one of the lowest performing councils in Wales.
- 41 The Appointed Auditors issued a report on homelessness in April 2010. The report concluded that the Council's Housing Strategy and homelessness teams need to work more closely together to develop an effective strategy for dealing with homelessness and to make the best of their relationships with Cartrefi Conwy<sup>4</sup> and other registered social landlords.
- 42 A Wales Audit Office national study identified concerns across North Wales in response to the housing needs of adults with mental health problems. We found that some councils, including Conwy, operated exclusion policies which could result in vulnerable people with mental health problems not being able to access accommodation. The report found that organisations, particularly health and social care organisations, need to work together better to help people to access services.
- 43 The number of new claims and changes to previous claims for Housing Benefit or Council Tax Benefit fell substantially in 2009-10. However, the speed with which the Council processed these deteriorated during the year. Though well ahead of the target set, it took over 11 days to process each new claim or change compared with an average of 10.1 days for Wales as a whole.
- 44 Changes to the Housing Benefit system announced recently by the UK Government have the potential to increase the number of people presenting themselves as homeless. The Council has recognised this risk and is taking steps to try to reduce its impact.
- 45 Local authorities in Wales took an average of 349 days to deliver a Disabled Facilities Grant in 2009-10. Conwy Council was among the best performers in Wales in this respect, taking 237 days. This figure is a significant improvement on the previous year, when the Council took 390 days to deliver the grant. This improvement reflects the fact that the Council had targeted action on delivering grants in its Improvement Agreement<sup>5</sup> with the Assembly Government. The Council met its targets for the length of time taken to deliver both Disabled Facilities Grant and low cost adaptation works. Council surveys showed that, of those responding, 84 per cent of clients were satisfied with its Disabled Facilities Grant process; 92 per cent found the equipment useful; and 91 per cent felt that the equipment helped them to remain independent.

<sup>4</sup> The Council transferred its housing stock to Cartrefi Conwy on 1 October 2008. After the transfer, the operation of the homelessness service remained with the Council while the majority of operational housing duties transferred to Cartrefi Conwy.

<sup>5</sup> Improvement Agreements were designed to retain a focus on local government service improvements, using an Assembly Government grant as a central lever for improvement.

- 46 The Council set an ambitious target for 2009-10 that half of the housing units provided during the year should be affordable. Although it was unable to achieve this target, at 29 per cent, the Council still performed well in comparison with most authorities.
- 47 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.
- 48 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.
- 49 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.
- 50 In adult services the Council is working effectively with partners to provide services that help people to be discharged from hospital on time. More people, for instance, are being helped to leave hospital more quickly through improvements such as new extra care housing schemes for older people and the Council is developing a close working relationship with hospital based support providers, such as the specialist support for people who are visually impaired.
- 51 Planning processes for adult services are generally effective. There is increasing evidence of a continued shift from a traditional building-based model of services for older people towards community-based services that enable people to remain in their chosen community. There are considerable delays in adult services in the completion of care plans (excluding specialist assessment); care plan completion averages 29 working days compared to a Welsh average of 17 working days. This level of performance requires improvement so that local people receive the support they need in an effective and timely way. The Council can also do more to provide people with assistive technology. This is an important area for improvement in Conwy which has the highest proportion of older people within the general population of Wales.
- 52 The CSSIW inspection of Adult Protection in December 2009 found that the Council had an internal audit programme specifically for vulnerable adults. This had helped to identify good practice and those areas needing attention. The Council is currently addressing the improvements needed to improve consistency of practice in this important area of its work.
- 53 In children's services the Council has identified that changes in its recording processes during 2009-10 have resulted in an apparent decline in some areas of performance. Decision-making within one working day on child referrals, for example, fell significantly from 98 per cent in

2008-09 to 59 per cent in 2009-10 and only 40 per cent of initial assessments were completed within the seven working day timescale. The Council has also identified an apparent deterioration in its performance with regard to looked after children. In 2008-09, 91 per cent of looked after children began their first placement with a care plan but, in 2009-10, this had fallen to 79 per cent. The proportion of looked after children with a permanence plan at their second review has fallen year-on-year from 92 per cent in 2006-07 to 66 per cent in 2009-10. The Council is undertaking a comprehensive review of its recording system to investigate its processes and take appropriate actions to ensure accurate recording.

- 54 The CSSIW Adoption Inspection in 2010 found that social work practice is very effective, with some examples of very good practice. However, the inspection of fostering services highlighted concerns about the current recording process in relation to the files of young people and foster carers. This issue may be because a new computer-based recording process has not been applied consistently. The Council has maintained its performance in allocating a social worker to all children on the child protection register and almost all child protection reviews were carried out within the required timescales. The CSSIW Review of Children's Safeguarding Arrangements in October 2009 nevertheless identified a need to embed a quality assurance system to raise standards across the whole assessment, care management and decision-making pathway. The Council should also improve the timeliness of convening initial child protection conferences and core group meetings.

- 55 The Council recognises that workforce planning in social services is at an early stage and does not clearly support its priorities. Within adult services, recruitment is difficult for management posts. Sickness levels in social services continue to be high despite the Council's considerable efforts to reduce absence levels.

### Is Conwy County Borough Council improving its support for older people to live independently in their communities?

- 56 Under the 'supporting people in need' heading, we focused on the Council's Improvement Objective to help older people be independent. With the County having the highest proportion in Wales of residents aged 65 or over, this objective is particularly relevant to the needs of the community. It also clearly addresses several of the criteria for Improvement Objectives that the Assembly Government has set out in its guidance. The Council has said that:
- 'If you are older, we will support you to maintain your independence and place in your community.'
- 57 The Council has a number of initiatives in place, several of which involve working with partners, and which are designed to help older people to remain independent. These include:
- opening two extra care housing<sup>6</sup> schemes, with further schemes in development;
  - extending existing Social Services Direct Payments<sup>7</sup> to more service users;
  - agreeing with the NHS to fund two Continuing Health Care respite flats;

<sup>6</sup> Extra care housing offers older people independence in a home of their own with other services on hand if they need or want them. It can accommodate people who would otherwise be frequent users of acute services, largely because their former housing is unsuitable for them to look after themselves.

<sup>7</sup> Payments for people who have been assessed as needing help from social services, and who would like to arrange and pay for their own care and support services instead of receiving them directly from the local council.

- purchasing a new vehicle to provide a 'House-bound' Library Service; and
- exploring the possibility of developing a regional approach to Telecare<sup>8</sup> provision.

58 These initiatives are consistent with the Council's aim of restructuring the provision for older people with a view to supporting them in maintaining their independence, while also achieving value for money. Several Council-run care homes have closed as the extra care housing schemes have been completed.

59 The Council has identified four measures that it uses to monitor and report its performance against this Improvement Objective. These are set out in **Exhibit 2**, as reported in the Council's Annual Report, together with the relevant data from 2008-09 and 2009-10.

60 Measures 2 and 3 in **Exhibit 2** are useful indicators, and the time taken to process claims for benefits is an area in which the Council needs to improve. However, we do not think these are appropriate measures for this particular objective. People claiming Housing and Council Tax Benefits represent many different age groups and the measures provide no information about the Council's support for older people.

## Exhibit 2

Measure	Performance in 2008-09	Performance in 2009-10
1 The number of tenants within the extra care housing scheme	(extra-care housing unavailable)	64
2 The number of people claiming Housing Benefit and Council Tax Benefit	11,770	12,238
3 The time taken to process Housing Benefit and Council Tax Benefit new claims and change events	8.5 days	11.4 days
4 The rate (per 1,000) of adult clients assessed provided with electronic assistive technology	47.35	60.47

<sup>8</sup> Telecare consists of equipment and services that support safety and independence in a person's own home.



- 61 Measure 4, the rate per 1,000 of adult clients assessed who are provided with electronic assistive technology (including Telecare), provides some information about how much the Council is doing to support the independence of adult clients. This is an area in which the Council has not done as much as most other councils. However, the indicator includes all adult clients, not only those who are older. Measure 1 also provides some useful evidence of how much the Council has done to increase its provision of extra-care housing, an important strand in its modernisation of services for older people.
- 62 But none of the measures the Council has chosen provide any information to show whether or not a higher proportion of older people than before is living independently. Importantly, the measures also give no indication of the quality of the support that the Council provides to help older people.
- 63 We recognise that the data available nationally do not provide a clear picture. For example, in Conwy, 54.9 people per 1,000 aged 65 or over (whether social services clients or not) were supported in the community in 2009-10. This figure is well below the average for Wales and has fallen since 2008-09. However, at 21.4 people per 1,000, the number of older people supported in care homes was also below the Wales average. Together, these indicators show that about 76 older people per 1,000 in Conwy receive some form of support; which is well below the average for Wales of 108.
- 64 This does not indicate that the Council is helping too few older people. The indicators take no account, for example, of the level of need in the community. It may be, for example, that older people in Conwy are generally healthier than average and therefore do not need as much support as in other parts of Wales.
- 65 Other measures available may help to make parts of the picture clearer. For example, the Council reports each year to the Local Government Data Unit the proportion of social services clients aged 65 or over that it supports in the community. For 2009-10, 81 per cent of the Council's older clients were supported in the community, a slightly lower proportion than the average in Wales. Since 2006-07, this proportion has increased gradually from 77 per cent, in line with the trend across Wales.
- 66 Overall, the Council has not yet solved the problem of how the difficulties associated with the use of these measures can be overcome in a way that enables it to report a clear picture of its progress in relation to this Improvement Objective.

## Is Conwy County Borough Council helping people to develop?

- 67 As part of their work to develop the local economy and to improve the wellbeing of their citizens, most councils work with partners to try to develop the skills of the local workforce in ways that match the needs of local businesses.
- 68 In line with the Welsh average, the percentage of working age adults with no qualifications has gradually fallen in the County since 2001 and, other than in 2008, there have been fewer working-age adults without qualifications in the County than the Welsh average. The percentage of working age adults with qualifications at Level 4<sup>9</sup> or above has gradually risen since 2001. By the end of 2009, it was well above the Welsh average and the highest amongst the North Wales council areas.
- 69 Councils are responsible for ensuring that there are enough school places for both Welsh and English-medium education. Councils and their schools share the financial responsibility for making sure that school buildings are in good condition and that their facilities are up to date. Councils are also responsible for monitoring the performance of schools, intervening where necessary to ensure that the standards that pupils achieve are good enough. They also assess and make provision for pupils with special educational needs and provide a range of other functions that support schools.
- 70 Over a number of years, and partly in partnership with a private sector developer, the Council has made good progress in modernising its seven secondary schools. The Assembly Government has recently agreed to contribute £16 million towards a £22 million redevelopment of Conwy's only special school. Two primary schools have closed in recent years, and the Primary School Modernisation Programme remains a major Council priority that is progressing as planned. In January 2009, well over 20 per cent of primary school places were empty.
- 71 The cost<sup>10</sup> of primary school education, at £4,957 per pupil for 2010-11, is the fourth highest among local authorities in Wales. The equivalent cost for secondary schools is £4,703 per pupil, which is marginally below the average for Wales. At the end of 2009-10, schools in Conwy held about £4.5 million in reserves. This figure represents about £292 in reserves per pupil, the second highest among the 22 local authorities in Wales.
- 72 Seven-year-olds in Conwy primary schools generally achieve standards that are close to the Wales average. In 2010, 81.2 per cent of pupils achieved the Core Subject Indicator<sup>11</sup> compared with 81.6 per cent across Wales as a whole. Eleven-year-olds have usually achieved slightly higher standards than the Wales average, but, in 2010, 77.6 per cent of pupils achieved the Core Subject Indicator, just below the all-Wales comparator of 78.2 per cent.

<sup>9</sup> Level 4 qualifications are at a level equivalent to Certificates of Higher Education and appropriate for people working in technical or professional jobs.

<sup>10</sup> Costs are taken from Revenue Account Forms and include specific grants. They include expenditure from central budgets apportioned to schools as well as delegated budgets.

<sup>11</sup> Pupils achieve the Core Subject Indicator when they achieve the expected National Curriculum levels for their age in mathematics, science and English or Welsh (first language).

73 In secondary schools, 14-year-olds also generally achieve standards that are slightly above the average for Wales. In 2010, 64.4 per cent of pupils achieved the Core Subject Indicator compared with 63.7 per cent across Wales. The picture is similar for 16-year-olds; 68.3 per cent of pupils achieved the Level 2 threshold<sup>12</sup> in 2010 compared with the Welsh average of 63.7 per cent. Standards in Conwy were the third highest of all the 22 local authorities in Wales. Taking account of the level of free school meals<sup>13</sup> in Conwy secondary schools, pupils have consistently achieved standards that are at least as high as the benchmarks that the Assembly Government calculates each year on almost all indicators.

74 All Conwy secondary schools have sixth forms that are working in partnership with each other and with Coleg Llandrillo, the local Further Education college, to offer an increasing range of A level and vocational qualifications. The 'average wider points score' (that takes account of all the accredited qualifications students achieve) in Conwy schools compares favourably with the average for Wales and increased significantly in 2010.

75 Attendance rates in Conwy primary schools are consistently higher than the Welsh average. Secondary school attendance rates have been more variable but have been better than the Welsh average for each of the last two academic years. The Council has put in place effective support systems to minimise the numbers of pupils who are excluded from schools, whether permanently or for a fixed period. A higher proportion of 16-year-olds choose to continue in full time education in Conwy than on average in Wales, and only 4.8 per cent left school and were not in education, training or employment in 2009, compared with 5.7 per cent across Wales.

76 Estyn, the inspectorate for education and training in Wales, looks at how well councils are helping children and young people develop knowledge and skills. They carry out inspections of schools, further education colleges and training organisations as well as making judgements on how well councils support these education providers. Estyn, through its regional teams, analyses performance information, visits schools and has regular meetings with directors of education to come to a view about the role of the Council and about education performance in the area. Estyn will be inspecting the Council's education services for children and young people early in 2011. We will summarise the inspection's findings in the 2011 Annual Improvement Report.

### Is the Council helping people improve their skills so that their lives improve?

77 Under the 'helping people to develop' heading, we focused on the Council's Improvement Objective to work with partners to identify skills gaps in the local economy and then support people to increase their skills. This objective has the potential to help develop members of the community in a way that supports individual and community well-being. The Council has said that:

- 'We will work with local businesses to identify skills gaps. And then support people to increase their skills and get into work so that they are less dependent on out of work benefits, have improved mental and physical well-being and increased disposable income.'

<sup>12</sup> The Level 2 Threshold is a volume of qualifications on the National Qualifications Framework that is equivalent to five GCSEs at grades A\*-C.

<sup>13</sup> The level of free school meals is a proxy for the level of deprivation which, in turn, is closely linked to levels of attainment in schools.

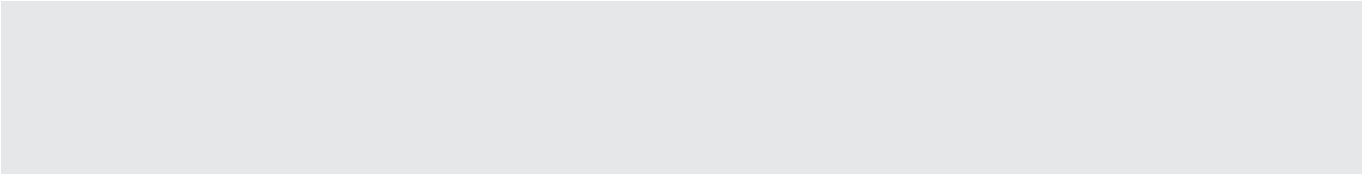
- 78 This Improvement Objective addresses several of the criteria set out in Assembly Government guidance. The second part, in particular, aims to increase 'fairness'. However, the references in the objective to 'improved mental and physical well-being and increased disposable income' make the objective more complex than is necessary and, as a result, less robust in terms of how success is defined.
- 79 The Council has set out in its Annual Report and elsewhere a good range of activity that supports this objective. For example:
- The Council has made a successful bid to the 'Future Jobs Fund'<sup>14</sup> for 19-24 year-olds and is in the process of establishing a Skills Programme Board to co-ordinate its planning with local businesses. Between November 2009 and August 2010, the Rhyl City Strategy's Future Jobs Fund scheme achieved 223 job-starts across Denbighshire and Conwy, with 38 per cent of those entering sustained employment.
  - The Council is involved with the Assembly Government's Genesis Project, designed to work with families by helping parents find work. The Conwy project provides one-to-one and group support to anyone aged 16 or over, particularly lone parents, helping them to overcome barriers to education and employment. By supporting over 170 single mothers, the Council has already exceeded its target of 70.
- The Local Service Board is addressing workforce development throughout the County. As part of that project, there were two jobs events during 2009, one of which also involved neighbouring Denbighshire County Council. The Council has completed an internal skills audit and has a partnership agreement with Coleg Llandrillo which it uses to address skills shortages within its own workforce. Staff can access a range of on-line courses, made up of different modules.
- 80 Although not specifically identified in relation to this Improvement Objective, the Council exceeded its target in 2009-10 for the number of businesses in receipt of ICT training through events or one-to-one training.
- 81 There are no National Strategic Indicators or Core Service Indicators available for this Improvement Objective so it is hard to compare the Council's performance in relation to other authorities in Wales. The Council has nevertheless identified its own local indicators, designed to assess its performance. We set out its performance against these measures over the 12-month period to the end of March 2010 in [Exhibit 3](#).
- 82 Though not comparable with other councils, the measures that the Council has chosen provide a useful indication of the success of the Council's direct contribution to achieving parts of this Improvement Objective.

<sup>14</sup> A Department for Work and Pensions programme to create employment opportunities for long term unemployed young people and others who face significant disadvantage in the labour market.

### Exhibit 3

Measure	Performance in 2008-09	Performance in 2009-10
1 The number of work placements provided by Conwy County Borough Council	64	129
2 The number of apprenticeships provided by Conwy County Borough Council	34	70
3 The number of staff who take up the opportunity to continue working with the Council post retirement age	164	124
4 The number of people supported by the Council to get off out of work benefits and back into work (through projects such as Genesis)	74	132

- 83 The increase in people getting back into work, for example, is a positive measure of success. However, it would be more useful if this increase could be compared to the trend across North Wales or in other comparable authorities. The number of work placements and apprenticeships are also measures of opportunities to increase skills. But, until the work of identifying skills shortages within the local area is complete, the Council will be unable to report on the extent to which its efforts address these skills gaps.
- 84 The measures include no reference to the three distinct components in the Improvement Objective of 'mental and physical well-being' of those who benefit from the Council's work, or to their 'disposable income'. The complexity with which the Council has stated its objective detracts from its ability to demonstrate that it has achieved what it set out to do.
- 85 In the longer term, the skills that children and young people gain at school and college will have a considerable impact on the 'get in to work' element of the Council's objective on skills. Equally, schools and colleges will have a part to play in making sure that the curriculum they offer is suited to the needs of the local labour market.



86 It should be reasonably easy to measure the Council's success by looking at examination and test results, and by mapping out the curriculum options available to young people in the 14-19 age range. The Council has a good range of pupil performance data to draw on; we have referred to some of these earlier in this report and we set out some others below, together with a brief analysis of recent information:

- The percentage of all pupils who leave education at the age of 16 without an approved external qualification fell from 1.17 per cent to 0.70 per cent, which is slightly better than the Welsh average.
- The average wider point score for 16 year-olds has increased from 350.7 in 2008 to 420.1 in 2010, the sixth highest of local authorities in Wales. Over the same period, the average wider points score across Wales as a whole has increased from 356 to 394.

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

- 87 The County has a crime rate about 15 percentage points lower than the average for Wales. It has fallen reasonably steadily to three-quarters of the figure of seven years ago.
- 88 A recent Criminal Justice Joint Inspection found that the quality of the youth offending service covering Conwy and Denbighshire is above average in Wales. In two thirds of cases, the service was effective in minimising the risk of a child or young person coming to harm and the risk of harm to other members of the public. The service's work to cut reoffending rates was done well in almost three quarters of cases. The inspection also found that in most cases, the service followed its procedures appropriately. Finally, the inspection said there was a need to improve the quality, accuracy and management oversight regarding assessments of vulnerable people.
- 89 The Council is responsible for maintaining 122 miles of A-class roads. Though the proportion of these roads judged to be in poor condition increased to 2.9 per cent during 2009-10, the proportion of roads in poor condition remains well below the average for Wales. Nevertheless, the rate at which people were killed or seriously injured on roads within the County was higher than the Wales average.
- 90 In 2009 the employment rate in the County was 69.5 per cent, which was the fifth highest amongst the 22 Welsh local authorities. Between 2001 and 2009 the employment rate has been above that for Wales as a whole. However, average earnings are low; in 2009, average weekly earnings in Conwy were £433, the lowest among the 22 Welsh local authorities. There are pockets of social and economic deprivation, particularly in the north of the County. The proportion of children living in workless households has risen in recent years and, in 2008, was the sixth highest among local authorities in Wales. In July 2010, 3.5 per cent of the working age population declared they were out of work by claiming the Jobseekers Allowance and National Insurance credits. The Welsh average was 3.6 per cent.
- 91 Keep Wales Tidy independent inspections have shown that Conwy's streets are cleaner than the average throughout Wales. Results from a Council survey carried out in 2009 indicate that there was 93 per cent satisfaction with the Council's street cleansing service. The Council has established a rapid-response team to deal with fly tipping and graffiti, undertaken an anti-dog-fouling campaign and increased the number of statutory notices issued with respect to run-down and empty properties. The percentage of graffiti incidents cleared up within four working days has increased from 78 in 2008-09 to 91 in 2009-10.
- 92 During 2010, we assessed how well councils across Wales were collecting and disposing of the waste that local households and businesses produce. We found that the Council's waste management service is performing well and has slightly exceeded the Assembly Government's target for 2010 that at least 40 per cent of waste should be recycled or composted. The Council has been working to improve this aspect of its work for some time and its performance is now close to the Welsh average. After successfully trialling changes in the frequency of its waste collection, the Council plans to extend this scheme to more households in April 2011. There are promising signs that this change will bring significant further improvement to the proportion of waste that is recycled or composted.

- 93 The Council monitors its recycling and composting performance effectively and uses the information well. Information about the rate of public participation, the weights of materials collected, feedback from operatives and recycling officers and 'clean-up costs' have all been used to identify and target areas for action. In an urban housing estate, for example, recycling performance has increased significantly and the whole estate is much cleaner than before, with less frequent need for the Council to get involved in cleaning operations.
- 94 As rates of composting and recycling increase, the amount of waste that the Council sends to landfill is reducing. Landfill space is running out rapidly and the cost of disposing of waste in landfill will increase significantly unless the Council meets stringent targets.
- 95 The Council is involved in a number of different partnerships with other authorities in North Wales in order to tackle this problem. The largest of these is the North Wales Residual Waste Treatment Partnership. Five councils have worked together to procure treatment facilities for residual waste that will considerably reduce the volume that goes to landfill. The Assembly Government has approved the business case for procuring a treatment plant and has approved funding of £142 million. If all goes to plan, the treatment plan should be working by 2016. In the meantime, projections suggest that the Council is likely to remain within its landfill allowance.

## Is the Council helping to promote tourism?

- 96 We focused on the Council's tourism Improvement Objective under this heading. Tourism plays an important role in the County's economy, as well as being a driver for ensuring that the area is a pleasant place to live in and visit. The Council's tourism objective therefore has the potential to make improvements in these areas. This objective is set out below:
- 'We will deliver a tourism plan that includes the whole County that promotes and makes best use of our natural and built environment, our facilities and our culture, heritage and language, in a co-ordinated way.'
- 97 The successful delivery of a co-ordinated tourism plan will contribute to the Council's strategic effectiveness. This Improvement Objective therefore meets one of the criteria set out in Assembly Government guidance.
- 98 The Council estimates that well over six million tourists visited the County on day trips during 2009-10, an increase of 16 per cent on the previous year. During the year, record numbers visited the Great Orme tramway in Llandudno, and Venue Cymru was awarded the BA National Venue of the Year Award for the Wales Region. The Council estimates that tourism contributed £579 million to the local economy.



- 99 Locally reported progress notes that a number of models of good practice have been identified and there is an element of partnership working with Denbighshire County Council, particularly with regard to the visitor economy strategy, linked to the Colwyn Bay Regeneration area. The Council published a Destination Management Plan in October 2010 and has established a Destination Conwy Forum as a means of enabling a dialogue with relevant local traders.
- 100 Because there are no nationally agreed indicators that relate specifically to tourism, it is difficult to make comparisons with other councils across Wales. In any event, the very contrasting tourist attractions to be found across Wales would make any meaningful comparison difficult. It is extremely difficult to isolate the impact that the Council is having on tourism from the impact of other factors such as economic trends, the weather and fashions. The Council has nevertheless identified its own local indicators, designed to assess its performance. In [Exhibit 4](#), we set out the Council's performance against these measures over the 12-month period to the end of March 2010, as reported in the Council's Annual Report.
- 101 The measures that the Council has chosen clearly provide an indication of the intended impact of this Improvement Objective. If the estimates are reasonably accurate, and underpinned by more detailed data that allows the Council to analyse the contribution of various tourism sectors, they demonstrate the economic benefit that tourism brings to the area.
- 102 The Council will clearly be able to show whether or not it has 'delivered a tourism plan', as set out in this Improvement Objective. However, the measures do not offer a means of judging whether or not the tourism plan adequately promotes the wide range of natural and commercial attractions that are located within the County, or whether the Council is making the best use of its assets.

#### Exhibit 4

Measure	Performance in 2008-09	Performance in 2009-10
1 The number of tourists visiting Conwy each year for overnight stays	2,138,000	2,026,500
2 The number of tourists visiting Conwy each year for day trips	5,367,000	6,240,000
3 The estimated local spend by tourists visiting Conwy each year	£558.8 million	£579 million

# What should Conwy County Borough Council do?

103 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.

104 The Council needs to consider our proposals to help it improve.

## Proposals we made in our earlier work

- the Council, in its own planning and within partnerships, should develop the use of outcomes and associated qualitative and quantitative measures in the definition of objectives and priorities;
- the Council should, wherever possible, make greater use of comparative information in evaluating its progress in delivering its priorities; and
- the Council should continue as a matter of urgency and priority its programme of identifying and implementing efficiency savings and cost reductions as part of its Medium Term Financial Planning.

## New proposals

In preparing its Improvement Plan for 2011-12, the Council should:

- increase the accessibility of its plan and associated Improvement Objectives to interested stakeholders;
- refine the wording of its Improvement Objectives so that they are:
  - clear – setting out the visible improvements that citizens can expect;
  - robust – with defined terms of success, whether quantitative or qualitative; and
  - demonstrable – capable of being supported by objective but not necessarily measured or quantitative evidence.
- ensure that the evidence chosen in support of each Improvement Objective relates clearly to the outcomes that citizens should expect; and
- include targets for the quantitative measures that it chooses in support of its Improvement Objectives.

# 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

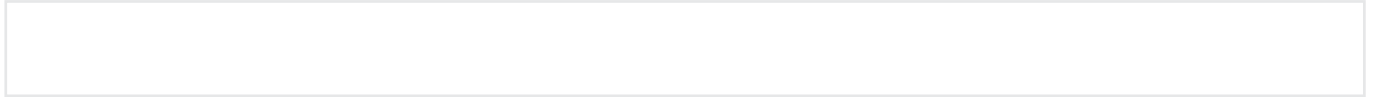
The Local Government (Wales) Measure 2009 (the Measure) introduced new responsibilities for the Auditor General, including a responsibility to publish his assessment of each council's/authority's arrangements to secure continuous improvement.

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

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

The main piece of work for the Wales Audit Office, to enable the Auditor General to fulfil his duties, is an annual Improvement Assessment<sup>15</sup>.

<sup>15</sup> 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 Conwy and Conwy County Borough Council

In 2009-10 the Council's gross revenue spend was £261.3 million, equating to £2,347 per resident. In that year the Council also spent £28 million on capital items.

The average band D council tax in 2009-10 for Conwy was £1,006.96, including police and community council precepts; this figure has increased by 4.24 per cent to £1,049.64 for 2010-11. Seventy-one per cent of Conwy's housing is in council tax bands A to D.

There are 59 councillors who represent the communities of the County and make decisions about priorities and the use of resources. The Council is made up of members from the following political groups:

- 20 Conservatives
- 14 Independent
- 14 Plaid Cymru
- 7 Labour
- 4 Liberal Democrat

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

Mr Ken Finch is the Council's Acting Chief Executive. He is supported by two Acting Corporate Directors, Mr Andrew Kirkham and Mr Iwan Davies. The Council employs 4,458 staff (including teachers and other school-based staff).

The Assembly Members for Conwy are:

- Gareth Jones, Aberconwy, Plaid Cymru
- Darren Millar, Clwyd West, Conservative Party

Members of Parliament for Conwy are:

- Guto Bebb, Aberconwy, Conservative
- David Jones, Clwyd West, Conservative

For more information see the Council's website at [www.conwy.gov.uk](http://www.conwy.gov.uk) or contact the Council at: Bodlondeb, Bangor Road, Conwy, LL29 8AR (tel: 01492 574000).

# 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 August 2010 are set out below:

Many aspects of corporate arrangements now support improvement but the current uncertainty at senior management level is a potential risk to the Council's ability to address the challenges that lie ahead.

### **How the Council has approached improvement over time**

The Council has made significant improvements to its corporate arrangements in recent years but the current uncertainty at senior management level presents a potential risk to further progress.

After a period of limited progress, the Council made significant improvements to its corporate arrangements between 2005 and 2009.

The Council's arrangements are now sound in most respects.

The Council has coped well with fewer senior managers but the current uncertainty represents a degree of risk to its prospects of securing further improvement.

### **Analysis of the Council's arrangements to help it improve**

Many of the Council's corporate arrangements contribute positively to helping it to improve and to meet future challenges.

Well-developed business processes and governance have sustained the Council during a difficult period for its leadership.

The Council has begun to refine its priorities to guide its use of staff and resources in the increasingly challenging financial climate ahead and adopts a pragmatic approach to partnership working.

For the full report see our website at [www.wao.gov.uk](http://www.wao.gov.uk) or contact us at the address on the inside cover of this report.

# Appendix 4

## Appointed Auditor's Annual Letter to the Members of Conwy County Borough Council

**Conwy County Borough Council complied with financial and performance improvement reporting requirements but, in common with all public sector bodies, 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 22 September 2010 we issued an unqualified audit opinion on the financial statements, confirming that they presented a true and fair view of the Council's financial transactions. Our report is contained within the Statement of Accounts.



The following items were identified during the accounts audit:

- officers dealt efficiently and effectively with audit queries and the accounts audit was completed within the required timescales;
- revised accounting requirements for PFI were correctly implemented and significant progress is being made in preparation for implementing International Financial Reporting Standards (“IFRS”) in 2010-11, with Conwy having taken a responsible approach to making preparations efficiently and in good time;
- the financial impact of the job evaluation process has been calculated and accounted for within these financial statements, with implementation likely before 31 March 2011;
- we identified a small number of audit adjustments, which we reported through the democratic process in published reports that sit alongside the audit committee papers in September 2010; and
- the Whole of Government Accounts return was prepared effectively and in accordance with the Assembly’s timetable.

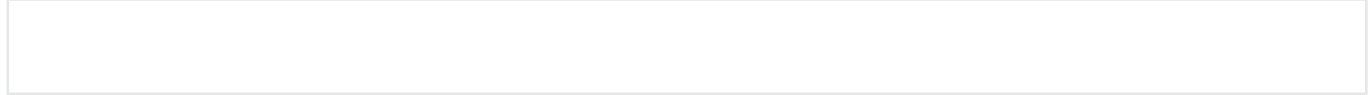
Our review of the Council’s arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed as part of the LG Measure. The main findings from this latter work will be set out in the Annual Improvement Report. In addition we also bring the following items to your attention:

- Effective budgetary control arrangements are in place and medium-term financial planning is developing well, but the Council faces significant financial pressures in the future. This is referred to further in the Annual Improvement Report.
- We published our ‘ISA 260’ report following the signing of the accounts in September containing our detailed observations arising from our audit.

The Council’s Improvement Plan 2010-2011 meets statutory requirements and provides a balanced view of its performance in 2009-2010.

- Targets for the National Strategic Indicators (NSIs) and the delivery of improvement objectives are not always set and published in advance of the forthcoming year.
- We undertook the audit of the NSIs as required by statute and the Council has maintained a good level of accuracy in compiling this data.
- A small number of indicators were subject to minor corrections at audit but we do not consider these corrections to have been significant. On one indicator we reserved our opinion owing to a lack of complete data from a third party being available to the council.





We are unable to issue a certificate closing the audit owing to a number of objections to the accounts which have been raised by members of the public. At this stage we are unable to set a definitive date by which we expect to have completed this work, but would hope to have done so by March 2011.

The financial audit fee for 2009-2010 was in line with that set out in the Financial Audit Strategy. However, we note that work undertaken in resolution of objections to the accounts was not included within this original fee quotation. At the date of this letter, we have issued fees of £7,700 in respect of this work.

KPMG LLP  
Appointed Auditors  
30 November 2010

## Appendix 5

### Conwy County Borough Council's improvement objectives

The Council published its Improvement Objectives on its website which can be found at [www.conwy.gov.uk](http://www.conwy.gov.uk). They are:

- We will promote the Welsh language and culture so that our children are proud of their heritage – their 'Welshness' – and are happy to share this with their families, communities and with people who visit the area.
- We will deliver a tourism plan that includes the whole County that promotes and makes best use of our natural and built environment, our facilities and our culture, heritage and language, in a co-ordinated way.
- Work with partners and the business sector regionally and sub-regionally, to develop key business areas that complement our neighbours, ensuring a balanced diverse local economy in order to regenerate communities and offer quality jobs which will contribute to retaining younger people in the area.
- If you are older, we will support you to maintain your independence and place in your community.
- We will make sure our children get the best educational and social start enabling them to take a fulfilled role in society.
- We will provide additional support for care leavers and we will support young people entering and leaving the Youth Justice System to enable them to take a fulfilled role in society.
- We will work with local businesses to identify skills gaps. And then support people to increase their skills and get into work so that they are less dependent on out of work benefits, have improved mental and physical well-being and increased disposable income.
- We will talk to our communities about the likelihood and possible consequences of flooding and coastal erosion.
- We will maximise the use of our technology to modernise our working practices, reducing the need for paper based working.
- We will lead the way in making sure we contribute towards a sustainable future.

# 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
- Data Unit Wales dissemination tool
- Improvement Authority's own websites and improvement plans
- The Wales Yearbook
- The Home Office
- Members' Research Service
- Office for National Statistics