



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

# Annual Improvement Report

## Flintshire County Council

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# About the Auditor General for Wales

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This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by Karen Lees and Huw Lloyd Jones under the direction of Alan Morris.

# Contents

<b>Summary report and recommendations</b>	4
<b>Detailed report</b>	
Introduction	8
Service performance remains good in many areas but the Council's Improvement Plans and performance reports are not as clear and outcome-focused as they could be	9
The Council is making good progress in delivering improvement in several of its service-based priority areas	9
The Council's evaluation and reporting of its performance are of inconsistent quality and not as outcome-focused as they could be	17
The Council's corporate arrangements and planning support improvement more effectively than in previous years, but progress has been slower than planned in a few areas	21
<b>Appendices</b>	
Appendix 1 Status of this report	28
Appendix 2 Useful information about Flintshire Council	29
Appendix 3 Appointed Auditor's Annual Audit Letter	31
Appendix 4 Flintshire Council's improvement objectives and self-assessment	35
Appendix 5 Previous proposals or recommendations for improvement made to the Council	37

# Summary report

- 1 Each year, the Auditor General must report on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement and delivering their services. Drawing on the work of the relevant Welsh inspectorates, as well as work undertaken on his behalf by the Wales Audit Office, this report presents a picture of improvement over the last year. The report is in three main sections, which cover the Council's delivery and evaluation of services in relation to 2011-12, and its planning of improvement for 2012-13.
- 2 Overall the Auditor General has concluded that service performance remains good in many areas but the Council's Improvement Plans and performance reports are not as clear and outcome-focused as they could be.
- 3 We found that the Council is making good progress in delivering improvements in several of its service-based improvement priority areas. We reached this conclusion because:
  - The Council is helping to support a sustainable environment by reducing energy usage and improving domestic recycling collection rates:
    - good progress has been made in reducing carbon emissions; and
    - the Council is now collecting a wider range of domestic waste than before.
  - Services to support vulnerable residents continue to improve:
    - the Care and Social Services Inspectorate Wales has published a positive assessment of the Council's services for children and families, reflecting strong leadership and improving outcomes;
    - progress has been made towards achieving a modern and high-performing education service across the county, but pupils' performance in primary schools remains lower than expected;
    - the Council is finding it challenging to deliver its priority of meeting the housing need in the County, but steady improvements are being made; and
    - the arrangements for administering housing benefit improved in 2011-12.
  - Good progress has been made in delivering planned activities relating to growing the local economy and supporting people who are vulnerable to poverty.
  - Performance information indicates that the performance of individual services is often good, and continues to improve.

- 4 We also found that the Council's evaluation and reporting of its performance are of inconsistent quality and not as outcome-focused as they could be. We reached this conclusion because:
- The Council has discharged its improvement reporting duties under the Measure, but it should ensure that it acts more in accordance with the Welsh Government guidance:
    - the Annual Performance Report for 2011-12 meets the requirements of the Measure; but
    - the Annual Performance Report makes too little use of data and other information to support a balanced narrative evaluation of the Council's work in addressing its Improvement Objectives.
  - The Council is able to produce balanced, well-evidenced self-evaluations of some specific aspects of its work, but its Annual Performance Report is less robust:
    - social services and education have produced mature service-specific analyses of their performance, but the Council's Annual Performance Report is less robust;
    - despite the service improvements, the Council is not fully able to identify and report the impact of its activities on achieving the Improvement Objectives; and
- the Council's on-going review of its governance arrangements is wide-ranging and well evidenced.
  - The Council is better placed than in the past to use information effectively to support improvement:
    - the accuracy of the Council's performance data has improved but there remains scope to improve the use of data in the Council's self-evaluation; and
    - the Council manages information well and its approach is generally sound.
- 5 Finally, the report sets out our views on how well the Council is planning for, and making arrangements to support improvement. We concluded that the Council's corporate arrangements and planning support improvement more effectively than in previous years, but progress has been slower than planned in a few areas:
- The 2012-13 Improvement Plan meets the majority of statutory requirements, but is not easy for residents to understand.
  - Based on, and limited to, work carried out to date by the Wales Audit Office and relevant regulators, the Auditor General reported in October 2012 that he believed that the Council was likely to comply with the requirement to make arrangements to secure continuous improvement during the financial year 2012-13. We reached this conclusion because:

- the Council had made reasonable progress in acting on several of the recommendations in the 2012 Annual Improvement Report but some key projects supporting the corporate improvement priorities were taking longer than anticipated;
- work on the medium-term financial plan has continued, but the Council did not succeed in completing the plan by the end of September 2012, as intended;
- the Council's arrangements for the use of technology are likely to support continuous improvement; and
- The Council is continuing to try and increase the use of the Welsh Language within its business.
- The Council is starting to streamline its complex governance arrangements as the systems are developing.

# Recommendations

- 6 We make no new recommendation in this report.

# Detailed report

## Introduction

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



## Service performance remains good in many areas but the Council's Improvement Plans and performance reports are not as clear and outcome-focused as they could be

### The Council is making good progress in delivering improvement in several of its service-based priority areas

#### The Council is helping to support a sustainable environment by reducing energy usage and improving domestic recycling collection rates

##### Good progress has been made in reducing carbon emissions

11 The Council's carbon management strategy is having a positive impact, and the Council is successfully reducing the amount of carbon used. In 2011-12, the Council exceeded the Welsh Government's annual target of three per cent carbon reduction, and narrowly missed its own, more challenging, target of four per cent. This is the third year of annual improvement. The Council is also on track with its plans to meet its ambitious target of a 60 per cent reduction in carbon emissions by 2021. The reduction in carbon usage has also led to the Council forecasting overall savings of just over £1 million by the end of 2011-12.

12 Progress to date has been good, and there has been strong political support from members. The Council took the approach of prioritising its investment in areas which offered the greatest energy-saving potential. However, this inevitably means that the cost of achieving further carbon reduction will increase. It will therefore become harder and more costly to meet future annual carbon reduction targets.

13 The Council acknowledges that it has been less successful in its plans to raise staff awareness of their role in reducing the Council's energy costs. Encouraging all members of staff to have wider ownership of, and collective responsibility for, the carbon reduction strategy has the potential to achieve further success at low cost.

14 Although performance data has been routinely reported as part of the Council's performance framework, the financial benefits associated with the carbon management strategy have not been promoted, internally or externally. The financial benefits are worthy of being celebrated more widely, particularly at a time when budget pressures are escalating and sustainability issues are gaining a higher profile. Unless the use of information about the benefits is addressed, there is a risk that lack of awareness about the impact of these initiatives could weaken political support and organisational commitment, prejudicing on-going investment.

### The Council is now collecting a wider range of domestic waste than before

- 15 The Council's approach to dealing with household waste has also had a positive impact on carbon reduction. Increasing the amount of waste that is recycled and reducing the amount sent to landfill both indirectly reduce carbon emissions. In 2011, the Council extended its kerbside recycling collection scheme to all residents and, at the same time, introduced food waste collections. The transition process generated a range of concerns from service users. However, the Council responded promptly to these concerns and, shortly after the roll-out was completed, developed and implemented an improvement plan.
- 16 The service performance for domestic waste collection improved during 2011-12, even though the main focus of the Council's efforts was the introduction of the new service. Because of the transition to the new service, the Council's performance in the year did not improve quite as fast as other councils across Wales. As a consequence, the Council ranking slipped from eighth out of 22 councils in 2010-11, to 16th in 2011-12 for the percentage of waste sent to landfill. However, the Council is optimistic that the revised waste collection arrangements, which were completed in the latter half of 2011, will have a significant impact on its waste collection performance for 2012-13 and beyond.

### Services to support vulnerable residents continue to improve

#### The Care and Social Services Inspectorate Wales has published a positive assessment of the Council's services for children and families, reflecting strong leadership and improving outcomes

- 17 In June 2012, the CSSIW published a report on the quality of the Council's services for children and families. The CSSIW's overall assessment of services is positive. It found that:
- information about the role of Children's Services is widely available and there is an effective response to those who make contact, with prompt advice and support arrangements;
  - there is an increasing focus upon prevention and early intervention that supports the whole family, with better outcomes for children as fewer are needing care;
  - partnership arrangements work well in delivering a co-ordinated approach to meeting needs;
  - the Head of Children's Services provides strong strategic and operational leadership and managers are working with the workforce to gain commitment to modernised ways of delivering services;

- there are good systems in place to ensure work is appropriately prioritised; and
  - staff morale is good and social work staff and their managers feel well supported.
- 18 Although there were many positive features in the CSSIW report, there are nevertheless a number of areas where the Council needs to improve. These include:
- ensuring consistency of approach, practice and understanding among all workers and in the quality of professional supervision;
  - ensuring that there is an appropriate component of experienced workers within the duty system;
  - continuing to address sickness absence in some areas;
  - improving the timeliness of case conference minutes and their subsequent distribution; and
  - ensuring a consistent level of competent use of computer systems by all staff and that data is promptly and consistently recorded within the computer system.
- 19 As part of the planned work programme, the CSSIW has recently undertaken a site visit to look at some aspects of adult safeguarding by the Council, and the feedback letter is currently being prepared. We will report on the findings of this review, and the Council's response, in our next Annual Report.
- 20 Many of the improvement activities planned for the Council's Improvement Priority of 'making our communities safe and to safeguard the vulnerable, with children and older people being priority groups' are medium-term projects. Several key deliverables are due to be completed in 2012-13, and we will report on the Council's progress in delivering on this broad-based priority in our next Annual Improvement Report.
- Progress has made towards achieving a modern and high-performing education service across the county, but pupils' performance in primary schools remains lower than expected
- 21 Following Estyn's inspection of education services for children and young people in October 2011, the Council was identified as requiring follow-up through Estyn monitoring. A monitoring visit took place in February 2013, and the team judged that 'the local authority had made good progress towards addressing the recommendations in the inspection report'. As a result, the Council will be removed from the follow-up category of Estyn Monitoring.
- 22 Estyn's letter following the monitoring visit reported on the Council's progress against the recommendations made after the 2011 inspection. We include extracts from Estyn's letter below.
- 23 'The authority has improved its arrangements to support and challenge schools. It provides its schools and officers with a good range of data analysis, including comparisons with similar schools using

the free-school-meal benchmarks. Officers use this wide range of data to identify more accurately school strengths and areas for development. The regional categorisation model has a clear focus on assessing the standards achieved by pupils and the quality of leadership and management in schools. However, the level of support that schools will be entitled to as a result of their categorisation is not always fully understood by headteachers and governors. Following visits to schools officers produce useful reports on standards and provision. However, these reports vary significantly in content and quality and identified actions for future improvement do not always focus sufficiently on raising standards.'

- 24 'The authority has made good progress on developing a revised funding formula for its schools. Members and senior officers have engaged effectively with headteachers and finance officers to prioritise this work. The authority has also made good progress in monitoring provision for pupils with additional learning needs placed out-of-county. This work has included a thorough review of its procurement policy and of individual placements and has led to a significant reduction in the overall cost of the provision.'
- 25 Estyn's comments about the Council's improvement planning and its reporting arrangements are included elsewhere in this report.
- 26 We have previously reported that the Council is now making progress in reorganising its secondary schools in

order to make better use of resources. Following an informal public consultation, the Cabinet has agreed its preferred options for modernising its school provision in the Holywell, Connah's Quay/Shotton/Queensferry and Buckley/Mynydd Isa/Mold areas of the county. The Council has since consulted formally upon the preferred options. There has also been progress in the primary school sector; the Council has opened a new school in Connah's Quay and has amalgamated four pairs of infant and junior schools.

- 27 When we consider educational attainment levels, Estyn reported a mixed picture for 2012. There were improvements on some indicators in Flintshire, but this progress was not seen in all areas, and performance was below that which might be expected on a number of others, especially in primary schools.
- 28 Following its monitoring visit in February 2013 Estyn reported that, 'in 2012 performance in key stage 4 improved more quickly than Wales. It remains among the best in Wales for those indicators that involve English or Welsh first language and mathematics and also for the level 1 threshold. More able pupils do not attain as well as expected on the higher national curriculum levels and GCSE grades in secondary schools and in English in key stage 2. However the percentage of pupils gaining the core subject indicator in key stage 2 dropped below the average for Wales and performance in key stage 3 improved at a slower rate than Wales as a whole.

29 When the performance of Flintshire schools is compared to similar schools on the free school meal benchmarks performance in key stage 4 is above average on three of the five indicators and average on the remaining two. However it is below average in the Foundation Phase and in key stage 2 and well below average in key stage 3 where a half of all schools are in the bottom 25 per cent and no schools are in the top 25 per cent.

30 The gap in performance between boys and girls is less than the average for Wales in most indicators although it is larger at key stage 2.'

The Council is finding it challenging to deliver its priority of meeting housing need in the County, but steady improvements are being made

31 In our last Annual Improvement Report in January 2012, we reported that the Council had made continued progress towards a housing stock transfer ballot and that this represented an important step in improving the quality of its housing stock. In March 2012, the Council balloted its tenants on the option of transferring its stock to a housing association. There was a high turnout of 71 per cent of tenants. Of these, 88 per cent voted against the proposal to transfer the stock from the Council.

32 The Welsh Government Housing White Paper encourages more action by social landlords to achieve the Welsh Quality Housing Standard (WHQS) by its revised target of 2020. The Council has a Housing Asset Management Strategy for 2012-2018 that sets out the Council's plan for maintaining its housing stock. This plan takes into account the investment needs of homes across the county and the money available for improvements from the Housing Revenue Account. The Council has estimated that an investment of around £166 million is required to bring the properties up to the WHQS and the Council's updated business plan aims to achieve this target by 2022.

33 Flintshire is one of only three councils in Wales which is forecasting that its stock will not be fully compliant with the WHQS by the end of the decade. The Council forecasts that only 26 of its homes will fully comply with the Standard by 2020. Negotiations are continuing between the Welsh and UK Governments to reform Housing Revenue Account Subsidy, which may allow the Council to increase in future years the amount of capital expenditure available to achieve the Standards.

34 The Council reported that in 2011-12 it improved the efficiency of its housing services. This resulted in a reduction in the amount of time Council-owned properties were left empty, and there were improvements in response times for both emergency and urgent categories of repairs.

- 35 The Council's Improvement Priority for housing is wider than just improving the quality of Council-owned stock. The Council also wants to work with partners to ensure a sufficient supply of quality affordable homes, and support people who are or are about to become homeless. The Council has set itself a challenging target that, by 2016, no homeless person is placed in temporary accommodation for more than 12 months. The average time homeless households spent in temporary accommodation in Flintshire was 208 days in 2011-12. While this is an improvement on the 225 days in the previous year, this remains above the average of 140 days for councils in Wales.
- 36 In Flintshire, there has been a similar trend to that in Wales for the number of households accepted as homeless, and the Council's Homeless Service witnessed a 37 per cent increase in the number of people seeking assistance in 2011-12. The Council's performance for taking action to prevent homelessness declined in 2011-12, though it remains slightly above the average for Wales.
- 37 The Council is taking action to try to ensure a sufficient supply of quality and affordable homes and housing services in the social, mixed tenure and private sector markets. The 71 affordable homes completed in Flintshire in 2011-12 was close to the average for Wales, although less than the 115 homes completed in 2010-11 and below the targets the Council had set for itself. In addition to its own continuing work to make affordable properties available in the county, the Council is also working closely with other councils and partners, including Conwy, Denbighshire, and Wrexham Councils.

#### Arrangements for administering housing benefit improved in 2011-12

- 38 The Council's arrangements for administering housing benefits are improving. In 2011-12, the Council made good progress in improving average processing time for new claims and change of circumstance notifications, which were shorter than the Welsh average. The percentage of new claims decided within 14 days improved, and was higher than the Welsh average. Although the number of counter fraud referrals fell, the number of investigations and successful sanctions increased.
- 39 In some other key areas, performance was below the Welsh average. The percentage of overpayments identified and recovered fell and was below the Welsh average. More applications for reconsideration or revision were made and it took longer than the Welsh average to deal with these. The service had the highest number of appeals for any Welsh council and it also took longer than the Welsh average to submit these to the Appeals Service. A dedicated quality assurance and training team has been established to implement an improvement plan to address historical accuracy concerns that the Council feels are contributing to the number of appeals received.
- 40 The Council is focusing on reducing the time taken to deal with applications for reconsideration or revision and appeals. We will monitor progress in these areas during the year, as we recognise the challenges the Council faces with implementing the changes introduced through the UK Government's welfare reform.

## Good progress has been made in delivering planned activities relating to growing the local economy and supporting people who are vulnerable to poverty

- 41 During 2011-12, the Council made good progress with initiatives intended to support and promote economic activity; for example, four new Town Centre Masterplans were launched. The Council also secured approval for a new Deeside Enterprise Zone as a key strategic location for Wales Advanced Manufacturing. This designation is particularly important for the County, since a third of its jobs are associated with manufacturing, nearly three times the all-Wales average.
- 42 Regeneration and economic development are challenging areas for councils to demonstrate impact. The influence of council initiatives on the economy may not be apparent for several years and the economy will also be significantly affected by external factors beyond the Council's control. Some councils use statistical data produced by external organisations to monitor and report on the state of their local economies, and on changes to poverty levels within their communities. The Council does not use data in this way as part of its routine quarterly or annual performance reporting arrangements.
- 43 Our own research suggests that Flintshire's economy remains reasonably resilient compared to some other parts of Wales. For example, unemployment levels in Flintshire are lower than the all-Wales average and, during 2011-12, reduced at a much faster rate<sup>1</sup>. Similarly, the proportion of Flintshire residents claiming Job Seekers Allowance is significantly lower<sup>2</sup> than the average for Wales; whilst the proportion of residents claiming Job Seekers Allowance in Flintshire did increase slightly during 2011-12, the average increase across Wales was larger. In 2008, Flintshire was ranked 221<sup>st</sup> out of 380 local authority regions across Wales and England on the UK Competitiveness Index<sup>3</sup>. In 2010, this ranking remained stable at 220<sup>th</sup>. Rankings for 2012 have not yet been released, but when available, will provide further insight into the effectiveness of efforts by the Council and its partners to protect and stimulate the local economy.
- 44 The Council has also been active in developing initiatives to tackle poverty in the County and to mitigate the anticipated impact of welfare reforms on its citizens. The Council's Regeneration Strategy 2009-2020 notes that 'people's actual or potential economic circumstances are influenced by many factors including educational attainment, health status, living circumstances, caring responsibilities and their family situation'. Despite acknowledging

1 Percentage of economically active, unemployed residents in September 2012: Flintshire: 6.3 per cent, Wales 8.4 per cent. Reduction in percentage unemployed, since March 2011: Flintshire one percentage point, Wales 0.1 percentage points. Source: Nomis, a service provided by the Office for National Statistics. It provides free access to the most detailed and up-to-date UK labour market statistics from official sources. <http://www.nomisweb.co.uk/default.asp>

2 Percentage of resident population claiming JSA in February 2013: Flintshire: 3.3 per cent, Wales: 4.3 per cent. Increase in percentage claiming JSA between March 2011 and March 2012: Flintshire: 0.2 percentage points, Wales 0.4 percentage points. Source: Nomis

3 The Centre for International Competitiveness provides information on the competitiveness of economies and businesses. It produces the UK Competitiveness Index, which provides benchmarking data on the competitiveness of UK regions and localities <http://www.cforic.org>. The Index is updated every 2 years, most recently in 2010.

these factors, the Council uses a limited basket of indicators as measures of success for its work in this area. Unless the Council adopts a more informed approach, using a wider range of internally and externally-generated performance data, it will not be able to monitor the impact of the support it provides and tailor its approach accordingly. For example, in 2012 the average full-time wage for male residents in Flintshire was significantly higher<sup>4</sup> than the average for Wales and broadly in line with the average across Great Britain. By contrast, the average full-time wage for female residents was lower than the average for Wales and significantly lower than the average for Great Britain. Whilst the Council cannot influence wage levels, better awareness and routine monitoring of such differences might influence the way in which the Council and its partners tailor their education, training and business support provision.

- 45 The Council has struggled to demonstrate effectively the progress it has made towards achieving several of its Improvement Priorities. In many cases, this is due to the lack of outcome-focused measures in the 2011-12 Improvement Plan. In the next section of this report, we look in further detail at how well the Council has reported its performance for the year 2011-12.

### Performance information indicates that the performance of individual services is often good, and continues to improve

- 46 Flintshire's performance in 2011-12 was better than the national average in over two-thirds of the statutory and non-statutory national indicators. The Council's performance shows an improvement in 28 (72 per cent) of the 39 national performance indicators for which comparison with previous years is possible.

<sup>4</sup> Average Gross Weekly Full Time Wages (2012) Flintshire Males £545.70, Wales: £493, Great Britain: £548.80, Flintshire Females £402.80, Wales: £406.70, Great Britain: £449.60. Source: Nomis



## The Council's evaluation and reporting of its performance are of inconsistent quality and not as outcome-focused as they could be

47 Councils are required under the Measure to evaluate their performance in the previous financial year, benchmark this, and report the information. We review how well councils complied with this aspect of the Measure and the associated guidance. Our review of the Council's 2011-12 Annual Performance Report concluded that:

**The Council has discharged its improvement reporting duties under the Measure but it should ensure that it acts more in accordance with Welsh Government guidance**

- 48 We reached this conclusion because:
- the Annual Performance Report for 2011-12 meets the requirements of the Measure; but
  - the Annual Performance Report makes too little use of data and other information to support a balanced narrative evaluation of the Council's work in addressing its Improvement Objectives.

**The Annual Performance Report for 2011-12 meets the requirements of the Measure**

49 The Council published its Annual Performance Report (the Report) in English and Welsh on its website on time. Meeting this deadline represents an improvement on last year and partly addresses one of our previous proposals for improvement.

50 The Report includes the Council's assessment of its performance against the Improvement Objectives set in the 2011-12 Improvement Plan. There are sections that include the Council's performance as measured by the full set of statutory performance indicators and a range of non-statutory indicators.

**The Annual Performance Report makes too little use of data and other information to support a balanced narrative evaluation of the Council's work in addressing its Improvement Objectives**

51 The Report provides a clear overall assessment, using a 'Red, Amber, Green' (RAG) colour coding, of how well the Council considers that it performed during 2011-12 against each of its 10 Improvement Objectives.

52 The Council's overall assessment of its performance against each Improvement Objective is broadly consistent with its assessment of the success or otherwise of the contributory improvement activities. However, the narrative tends to focus too heavily on success; even in those objectives and activities rated as amber. As a result, the Council's RAG assessments of the 'outcomes' of its work during the year are not fully supported by the evidence in the Report.

53 The Council acknowledges in the introduction to the Report that, in its 2011-12 Improvement Plan, the quantitative success measures associated with its Improvement Objectives were limited to a small number of national performance indicators. None of the measures reported relate, for example, to customer satisfaction or other data stemming from the Council's engagement with its citizens.

54 The Report is a long and detailed document. Though clearly written on the whole, it does not enable the reader to grasp readily a succinct evaluation of what the Council intended to achieve during the year, the resulting benefits to the public and what needs to be improved in future.

55 The Report does not, therefore, do as much as it might to enable the Flintshire public to hold the Council to account for its performance. This accountability is further limited by the fact that the Council, in reviewing its work during the year, made changes to its plans and targets, which were not then incorporated into the version of the 2011-12 Improvement Plan published on its website.

**The Council is able to produce balanced, well-evidenced self-evaluations of some specific aspects of its work but its Annual Performance Review is less robust**

**Social Services and education have produced mature service-specific analyses of their performance, but the Council's Annual Performance Report is less robust**

56 The CSSIW has judged that the annual report written by the Council's Director of Social Services provides a comprehensive and accurate account of the service's performance in 2011-12. The CSSIW also said that, in its self-evaluation, the Council had carefully aligned its evidence to support its evaluation, which was increasingly outcome-focused with measurable targets, underpinned by clearly-defined timescales and lines of accountability for delivery.

57 Similarly, in October 2011, Estyn described the Council's self-evaluation process with regard to its education services for children and young people as 'adequate' (strengths outweigh areas for improvement). Estyn reported that much of the Council's self-evaluation report was evaluative and used a range of evidence, including appropriate data. As a shortcoming, Estyn found that the Council had not included other stakeholders and agencies or young people well enough in making judgements about quality and standards.

58 When Estyn undertook the follow-up visit in 2013, they reported that the Council 'has comprehensive planning and performance management arrangements. It evaluates its performance quarterly and completes an annual self-evaluation. However, these arrangements mainly focus on recording actions that have been completed rather than evaluating whether these have brought about improvement. The Lifelong Learning directorate plan identifies appropriate themes and policy priorities for action. However, corporate and service plans focus on delivery measures rather than outcomes and individual initiatives and projects are not evaluated well enough to know whether they have an impact. As a result elected members and senior officers do not always know exactly how much progress has been made and are not able to consistently hold those responsible for delivering services and projects to account'.

59 Despite these useful service-level assessments, the evaluations within the Council's Annual Performance Report of those Improvement Objectives to which social services and education services contribute most extensively are, as described earlier, too focused on activity rather than on outcomes.

Despite the service improvements, the Council is not fully able to identify and report the impact of its activities on achieving the Improvement Objectives

60 The Council's limited use of clear links between the activities it delivers and the outcomes relates to many service areas. Much of the information provided does not refer to the stated outcomes, and the narrative often refers to work planned for the future. This shortcoming is particularly important at a time of restricted finances, when the Council needs to carefully weigh up how its wants to allocate its resources.

61 The Council has undertaken a lot of work in 2011-12, for example, in modernising street-scene services, a comprehensive review of support provided to all sheltered housing tenants, and co-locating all operational streetscene services at the Alltami Depot. Yet the benefits of these are not clear in the Annual Performance Report.

62 To a greater or lesser extent, the same issues apply across all 10 of the Council's priority areas. Its current arrangements for monitoring and reporting its performance remain necessary, not least because many of the indicators it reports on are mandatory. However, the lack of a clear statement that sets out the difference that the Council's work makes to the lives of people living and working in the County is significant. A more informed approach, able to capture and monitor benefits, outcomes and impact will help the Council to focus its efforts and its resources more intelligently.

### The Council's on-going review of its governance arrangements is wide-ranging and well evidenced

63 The Council is undertaking a self-evaluation of its governance, as well as its strategic and service performance and the performance of partnerships to which it contributes. We continue to provide support and challenge to this work and will provide feedback in due course. At the time of drafting this Report, the Council's leadership has yet to decide how best to involve councillors fully in the self-evaluation. However, our early impressions suggest that officers have drawn on a wide range of evidence thus far.

### The Council is better placed than in the past to use information effectively to support improvement

#### The accuracy of the Council's performance data has improved but there remains scope to improve the use of data in the Council's self-evaluation

64 We proposed in the 2012 Annual Improvement Report that the Council should improve quality assurance arrangements to ensure that data used to support performance management is accurate and robust.

65 In July 2012, we reported the results of our audit of the accuracy of a sample of the Council's performance indicators. Though our sample was smaller than in the past, the results were encouraging. We qualified none of the Council's performance indicators and we amended only one indicator. The robustness of performance data represents a key building block in enabling the

Council and its citizens to place reliance on the Council's assessment of its own performance. However, we have referred earlier in this report to areas in which the Council might improve and extend the way in which it uses data to evaluate its performance and improve the management of services.

### The Council manages information and its approach is generally sound

66 We also reviewed how the Council manages its information. We found that:

- the Council manages its information well and is beginning to drive change more effectively than before, better supporting its aims to achieve service improvements and efficiencies; and
- the Council's Information Management arrangements are generally sound but the Council lacks robust training arrangements and a single accountable officer to take responsibility at a senior level for the information asset and the risks it poses to the Council.

67 The auditor appointed by the Auditor General recently gave his opinion on the Council's accounts and, based on this, the Appointed Auditor's view is that the Council complied with its responsibilities relating to financial reporting and use of resources. However, there is still scope to improve financial controls in a number of areas and the Council needs to further develop its financial planning to help it meet the financial challenges ahead. [Appendix 3](#) gives more detail.

## The Council's corporate arrangements and planning support improvement more effectively than in previous years, but progress has been slower than planned in a few areas

- 68 Following the local government elections in May 2012 the Council appointed a new Cabinet and a new Leader. The Cabinet includes seven Members of the Labour Party, and one Independent Member. The eight Members have Portfolio Lead responsibilities for a portfolio of Council activities. The Cabinet has agreed to continue with the existing 10 Improvement Objectives, although they have slightly amended the underpinning priorities and actions to reflect their political intentions.
- 69 The new Council adopted its Improvement Plan in October 2012, and we reviewed this Plan to assess the extent to which it complied with the Measure and associated Guidance. We found that the Council has discharged its improvement planning duties under the Measure, but it should ensure it acts more in accordance with Welsh Government Guidance.

### The 2012-13 Improvement Plan meets the requirements of the Measure in all but one respect, but it is not easy for residents to understand

- 70 The Plan sets out the Council's priorities for the period 2012-2017. These 10 priorities, which also represent the Council's Improvement Objectives, are wide-ranging, and comply with at least one of the seven 'aspects of improvement' described in the Measure. Six priorities relate to public-facing service-based improvement, and four relate to improving the corporate workings of the Council. The Flintshire Local Service Board has endorsed the Council's Improvement Objectives as supporting the 'County Vision' as set out in the Community Strategy 2009-2019.

- 71 The Measure requires councils to report in their Improvement Plans their proposed actions in response to any statutory recommendations received during the preceding year. The Plan does not include this information but the required information was included in the Council's Annual Performance Report, published at the same time as the Plan. The Council's 10 Improvement Objectives are phrased in a way that reflects the Council's ambitions to improve outcomes for citizens over the five years to 2017. To support the Improvement Objectives, the Council has defined 66 Secondary Priorities which set out in more detail the Council's intentions. These Secondary Priorities are described mainly in terms of actions that the Council plans to take. However, in many cases, the Plan does not include enough information about current performance to enable councillors and readers of the Plan to hold the Council to account for its performance at the end of the year.

- 72 The Plan aims to fulfil two functions: it aims to be an internal management tool; and, at the same time, it represents a vehicle by which Flintshire citizens might better understand what the Council intends to achieve and hold it to account for doing so. In seeking to address these two aims, there is room for improvement in the presentation and content of the Plan. Currently the Plan includes too much information for citizens, but not enough for internal management purposes. The Council decided not to produce a summary of its Plan and, in doing so, missed an opportunity to engage with the public and to promote its aims and objectives more widely.

73 Given that the Measure requires councils to set their Improvement Objectives annually, the Council has agreed that it might usefully consider choosing fewer objectives from among its current priorities so that its focus in a single year is more sharply defined and to encourage citizens to engage more fully with the Council's planning and performance.

74 In our Letter in October 2012, we reported on the Council's likelihood to secure continuous improvement, as described under the Measure. The conclusion and supporting findings are described below:

**Based on, and limited to, work carried out to date by the Wales Audit Office and relevant regulators, the Auditor General reported in October 2012 that he believed that the Council was likely to comply with the requirement to make arrangements to secure continuous improvement during the financial year 2012-13**

75 To help us reach this conclusion we considered the arrangements the Council has in place to help it deliver its forthcoming Improvement Plan. We previously identified, in August 2010, that some of these arrangements were not fully supporting the Council to deliver its planned improvement, including the policy and strategy framework, use of resources, business processes and people management. The Council has made good progress on many of these areas.

76 We reached this conclusion in October 2012 because:

- the Council has made reasonable progress in acting on several of the recommendations in my last Annual Improvement Report, but some key projects supporting the corporate improvement priorities are taking longer than anticipated;
- work on the medium-term financial plan continues, but the Council has not succeeded in completing the plan by the end of September 2012, as intended;
- the Council's arrangements for developing, using and supporting technology are likely to support continuous improvement; and
- the Care and Social Services Inspectorate Wales (the CSSIW) has published a positive assessment of the Council's services for children and families, reflecting strong leadership and improving outcomes (as described earlier in this report).

77 During the year, we and other organisations have undertaken reviews of services or arrangements at the Council. Several of these pieces of work were reported after we made our judgement of the Council's likelihood to secure continuous improvement in October 2012. We have included these below, as they contribute to the overall annual assessment we make in this Report, on the Council's improvement planning.

The Council has made reasonable progress in acting on several of the recommendations in the 2012 Annual Improvement Report, but some key projects supporting the corporate improvement objectives were taking longer than anticipated

- 78 We have previously made a number of recommendations and proposals for improvement, and also noted some areas where we would undertake further work. We include a full list of previous recommendations and proposals for improvement in [Appendix 5](#), along with our assessment of progress to date and our plans for future reporting. We summarise progress on some of these matters below.
- 79 The Cabinet (and previously the Executive) has received updates from officers on the Council's progress in delivering one of its 2011-12 Improvement Objectives, 'to be a modern, caring and flexible employer with fair and equal pay, and terms and conditions of employment under a Single Status Agreement'. This work is continuing, as the date for the full implementation of Single Status remains under review, having again been deferred. In this respect, the Council has been unable to meet its intended timetable, as recommended in my last Annual Improvement Report.
- 80 The work of reaching a Single Status agreement is complex and the Council has understandably engaged external support for this work. The Council understands and accepts that there are financial risks associated with the implementation of Single Status and the settlement of existing and potential equal pay claims. It has set aside financial reserves to mitigate these risks. However, our audit of the Council's financial

statements for 2011-12 concluded that the Council had been too willing to rely, without sufficient review or challenge, on externally produced estimates for equal pay claims. As a result, the Council amended the figure included in the accounts to better reflect the liability for accounting purposes. The Council acknowledges that further work is required to estimate the actual liability. The size of this liability will emerge from the Single Status agreement and through negotiations with the Trades Unions.

- 81 We recommended in January 2012 that the Council should complete its work in quantifying the financial benefits of its programme of efficiencies and organisational change by mid-2012-13. A key part of this programme, known as 'Flintshire Futures', represents an important strand in the Council's medium-term financial planning. Flintshire Futures also forms part of the Council's Improvement priority 'to be a modern, efficient and cost effective public organisation.' Flintshire Futures supports the Council's ability to continue to maintain and invest in services in the context of reduced external funding. The Flintshire Futures programme is ambitious and comprises five major workstreams. Senior officers acknowledge that progress is variable across the workstreams, and slower than planned in several areas. The Council has established a Programme Board to maintain and, where necessary, to increase momentum and to improve overall governance of the programme. The Council acknowledges that further focused work is required to determine the full impacts of the financial savings that could be achieved through Flintshire Futures.

82 Proposals for improvement and then a formal recommendation had been made to improve the HR Strategy delivery and reporting arrangements. This Strategy also forms part of the Council's Improvement priority 'to be a modern, efficient and cost effective public organisation. The Council has made good progress on improving the delivery of the HR Strategy and there is now clearer reporting to Members on progress on the delivery. The time taken to deliver a Single Status agreement and to complete the HR service reorganisation, has led to further reprioritisation of several HR projects. These projects will be included in the Council's next People Management Strategy.

83 Members receive regular progress reports on the 10 Improvement Priorities. The reports identify the officer who is accountable for the work but do not name the responsible Cabinet member. Including the named political lead alongside the named officer lead would help reinforce the joint responsibilities of officers and councillors for delivering the Council's priorities.

Work on the medium-term financial plan has continued but the Council did not succeed in completing the plan by the end of September 2012, as intended

84 Officers reported to Cabinet in June 2012 that they planned to complete the Council's medium-term financial plan and to refresh the financial strategy by the end of September 2012. At the time of writing our second update letter to the Council in January 2013, the production of the medium-term financial plan continued but remained incomplete.

85 All councils face considerable financial uncertainty in the medium term. The level of revenue support they are likely to receive from the Welsh Government may change and increased demand for council services may well drive up costs. The Council's medium-term financial plan does not yet recognise the full extent of the pressures on the budget, particularly the financial implications of the single status agreement. This undermines the Council's understanding of the scale of the financial challenge. Nonetheless the Council has identified the potential for substantial efficiencies from the Flintshire Futures programme, but the sums are not sufficient to bridge the funding gap. The Council has consequently identified a number of other areas of investigation to potentially yield further savings, but these need to be quantified.



86 However, at present, the Council's financial planning takes insufficient account of longer-term projects, particularly those that require services to be reconfigured, and whose financial benefits may not be realised for some time. It is important that the intended financial benefits arising from such work are established from the outset so that the Council is better placed to achieve a balanced budget in future years. Some of these projects, planned for two or three years ahead, also require early decisions to ensure that the intended savings become available in the year in which they are planned.

87 The Council has developed processes to allow Members to agree to redirect resources to priorities. This was demonstrated in the recent budget for 2013-14, where the Cabinet clearly articulated that funding was being directed towards seven of the 10 Improvement Priorities, including education and social care. The Council needs to ensure the medium-term financial planning matures effectively over the next year to allow Members to make informed decisions on funding for priorities for 2014-15 and beyond, and the emerging Flintshire Futures projects.

### The Council's arrangements for the use of technology are likely to support continuous improvement

88 The effective use of technology is essential for transforming the delivery of public services, improving outcomes for citizens and delivering efficiency savings. Technology can support different ways of working, delivering services and engaging with citizens, enabling councils to deliver more for less. The way in which technology is delivered and managed has a direct impact on the efficiency, effectiveness and quality of work undertaken across the Council and affects almost every council worker.

89 In 2010, we identified that many local authorities were grappling with ensuring that technology was used effectively to support service transformation and achieve efficiency savings. As a result, we undertook reviews of technology at all councils during 2011-12.

90 In Flintshire, we found that the Council's arrangements for developing, using and supporting technology are likely to support continuous improvement. The delivery of the Information, Communication and Technology (ICT) Strategy also forms part of the Council's Improvement priority 'to be a modern, efficient and cost effective public organisation. The Council has established a sound technology infrastructure, and is starting to use technology effectively to transform services and achieve efficiencies. In particular, we found that:

- arrangements for developing, using and supporting technology are sound with examples of good practice but a more corporate approach to funding technology would maximise improvement opportunities; and
- performance in the use of technology is sound and improving, but there is scope for further improvement through the better use of performance information.

### The Council is continuing to try to increase the use of the Welsh Language within its business

91 The role of the Welsh Language Commissioner was created by the Welsh Language (Wales) Measure 2011. Over time, new powers to impose standards on organisations will come into force through legislation. Until that time, the Commissioner will continue to review Welsh language schemes by virtue of powers inherited under the Welsh Language Act 1993. The Commissioner works with all councils in Wales to inspect and advise on the implementation of language schemes. It is the responsibility of councils to provide services to the public in Welsh in accordance with the commitments in their language schemes. Every council is committed to providing an annual monitoring report to the Commissioner outlining its performance in implementing the language scheme. The Commissioner analyses every monitoring report; provides a formal response and collects further information as required.

92 The Welsh Language Commissioner has found that:

- The Council amended its tendering documents to include the requirements of the language scheme and questions about Welsh language provision, and noted that it was necessary to further strengthen the procedure of monitoring compliance with the procurement process.
- A good variety of Welsh language courses are provided on different levels for staff, and a high number of staff have registered to learn Welsh.
- There are weaknesses in terms of appointing Welsh speakers to jobs with Welsh as an essential skill, and ensuring that non-Welsh-speaking staff fulfil the requirements of their jobs in terms of learning Welsh.
- The Council acknowledges that it is necessary to introduce a more formal procedure for monitoring and assessing non-Welsh-speaking staff to ensure that they fulfil the relevant requirements. No language awareness training was held during the last year, and the Council agreed to give this urgent attention and to prioritise training for members of staff who have regular contact with the public.
- The Council has also agreed to establish a procedure for measuring the quality of the Welsh language service offered.

### The Council is starting to streamline its complex governance arrangements as the systems are developing

93 As part of their follow-up visit, Estyn looked at the Council's approach to leadership and improvement planning for education. In their letter to the Council in early 2013, Estyn said:

94 'Since the Estyn inspection in 2011, the new administration has prioritised the need for change and improvement in the directorate of Lifelong Learning. The chief executive and director of education accept the need for swift action in order to remove hurdles to improvement and, already, arrangements for the new single plan aim to streamline planning arrangements. Members and senior officers are committed to taking difficult decisions to improve provision and make effective use of resources. They have taken useful steps to bring about service level improvements although a few important areas for development remain in leadership and management.

95 The Children and Young People Partnership's plan is outside the main corporate planning arrangements of the council. These two planning systems make it difficult for partners to work effectively with core education services. It leads to duplication and missed opportunities to dovetail resources and interventions to support the most vulnerable learners.'

96 These findings are similar to the results of our work at the Council during 2012-13. We have found that the senior leadership of the Council is actively working to improve the internal governance and planning arrangements. Officers recognise that, while the current arrangements are adequate, there are opportunities to streamline processes, and gain further benefits from combining a range of corporate governance documents into a cohesive core improvement plan. This streamlining will have the added benefits of:

- simplifying and reducing the amount of reporting, thus saving officer and member time;
- a more joined-up approach to risk management and improvement planning;
- an enhanced focus on outcomes and achievement of the improvement objectives; and
- re-energising the Council's planning process.

The Council is now well placed to take forward work on these areas.

# Appendices

## Appendix 1 Status of this report

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

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

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

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

The Auditor General may also in some circumstances carry out special inspections (under section 21), which will be reported to the relevant authorities and Ministers, and which he may publish (under section 22). This published Annual Improvement Report summarises audit and assessment reports including any special inspections (under section 24).

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

## Appendix 2

### Useful information about Flintshire

#### The Council

The Council spends approximately £317 million per year (2012-13 budget), including specific Welsh Government grants. This equates to about £2,076 per resident. In the same year, the Council also planned to spend £33.6 million on capital items.

The average band D council tax in 2011-12 for Flintshire was £1,151 per year. This has increased by 2.9 per cent to £1,184 per year for 2012-13. 68.4 per cent of Flintshire's housing is in council tax bands A to D.

The Council is made up of 70 elected members who represent the community and make decisions about priorities and use of resources. The political make-up of the Council is as follows:

- 30 Labour
- 19 Independent
- 8 Conservatives
- 7 Welsh Liberal Democrats
- 1 Plaid Cymru
- 5 Not affiliated

The Leader is Councillor Aaron Shotton

The Council's Chief Executive is Colin Everett. He is supported by:

- Ian Budd, Director of Lifelong Learning;
- Neil Ayling, Director of Community Services;
- Carl Longland, Director of Environment.

#### Other information

The Assembly Members for Flintshire are:

- Sandy Mewies, Delyn, Labour Party
- Carl Sargeant, Alyn and Deeside, Labour Party
- Llyr Huws Gruffydd, North Wales Region, Plaid Cymru
- Mark Allen Isherwood, North Wales Region, Welsh Conservative Party
- Aled Roberts, North Wales Region, Welsh Liberal Democrat
- Antoinette Geraldine Sandbach, North Wales Region, Welsh Conservative Party

The Members of Parliament for Flintshire are:

David Hanson, Delyn, Labour Party

Mark Tami, Alyn and Deeside, Labour Party

For more information see the Council's own website at [www.flintshire.gov.uk](http://www.flintshire.gov.uk) or contact the Council at Flintshire County Council, County Hall, Mold, Flintshire, CH7 6NB. Telephone Number: 01352 752121

## Appendix 3

### Appointed Auditor's Annual Audit Letter

The auditor appointed by the Auditor General issued the following auditor's report on 29 November 2012.

**The Council complied with its responsibilities relating to financial reporting and use of resources but there is still scope to improve financial controls in a number of areas and the Council needs to further develop its financial planning to help it meet the financial challenges ahead**

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; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This Code is based on International Financial Reporting Standards. On 26 September 2012 I issued an unqualified audit opinion on the accounting statements stating that they present a true and fair view of the Council's and the Pension Fund's financial position and transactions. My report is contained within the Statement of Accounts. The key matters arising from the accounts audit were reported to members of the Audit Committee and Council in my Audit of Financial Statements reports on 25 September 2012.

The following issues were identified regarding Flintshire County Council's accounts:

- The accounts contained two uncorrected misstatements, although they were not material. The first related to the charge for depreciation on fixed assets, which was understated by £628,000 (and as a result non-current assets were overstated by the same amount) and the second related to the misclassification of £4.710 million of grants received in advance, which were incorrectly disclosed as short-term creditors on the balance sheet. However, the Council provided management representations to explain the reasons for not amending and confirmed that the issues will be resolved in the 2012-2013 accounting statements.
- Non-current (fixed) assets and related accounts were subject to extensive restatement for a number of reasons, but in particular, because the draft set of accounts had not been reconciled to the new fixed asset software system. This hampered progress with the audit as the Council did not provide the final reconciliation and resulting amendments to the accounts until late in the audit window.
- There were a number of general issues relating to the quality of the accounts and supporting records, some of which we had reported previously, including: the need to address balancing items within the accounts, ensure full compliance with disclosure requirements and ensure all information is available to correctly value Council Houses.
- There were three other matter which were significant to the oversight of the financial reporting process:
  - The Council needs to ensure that it does not over rely on external advice when preparing its financial estimates. The Council used estimates prepared by an independent expert as the basis for its accounting provision for equal pay liabilities without carrying out any review. In the final statements the figure was amended to better reflect the potential liability.
  - Based on legal advice, the Council did not recognise a liability for pension contributions on its equal pay liabilities. This is contrary to legal advice received by the Appointed Auditor which suggests that pension contributions should be paid on payments to resolve equal pay claims. Given the diverging legal views and uncertainty regarding the need to recognise a provision, the Appointed Auditor concluded that he would not take any further action as part of the 2011-2012 audit of accounts.
  - A number of members failed to return related party declarations which were required to comply with disclosure requirements.

Since the financial statements were approved, I'm advised that the Council has made good progress in terms of both reviewing and clearly determining the financial implications of single status and equal pay, as it works with relevant parties, to put in place its single status agreement.



The following issue was identified regarding the Clwyd Pension Fund accounts:

- The accounts contained an uncorrected misstatement, although it was not material. Investments were recorded in the accounts based on valuation reports available at the time of preparation. Prior to the conclusion of the audit, more up to date valuation reports became available which showed that investments at 31 March 2012 had been understated by £2.297 million. However, as this was a timing issue, the Council provided management representations, which we accepted, to explain the reason for not amending.

My consideration of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government (Wales) Measure (2009). Overall, I am satisfied that the Council has appropriate arrangements in place. The Auditor General will highlight areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made when he publishes his Annual Improvement Report.

As referred to in the Auditor General for Wales' recent Improvement Assessment letter to the Council (dated October 2012), the Medium-Term Financial Plan (MTFP) still requires further development and this is acknowledged by the Council. In its response to the Improvement Letter, the Council identified that the plan is not static but rather, is under continual review as the Council responds to the volatility in public finances, the economy and the range of challenges being faced by local government and public services.

In a Cabinet report (16 October 2012), the Head of Finance outlined how the MTFP has been developed in accordance with the key objectives of the Medium-Term Financial Strategy. The report identified a potential budget gap, at that stage of £8.4 million, against which efficiencies need to be identified to balance the budget for 2013-14. Using similar planning assumptions this would be a gap of £35 million over the MTFP period to 2017-18. It was also reported that the MTFP would be updated with any revenue implications from the:

- development of the capital programme taking place during October; and
- outcome of the negotiations on single status on agreement being reached by the Council.

I understand from the Council that work is ongoing with 2013-14 budget planning and that budget gap proposals for the 2013-14 budget, including efficiency measures, will be reported to Cabinet in December, alongside an update of the implications for future years.

I am concerned that the implementation of efficiency measures, particularly those that impact on service delivery, often need significant lead in time from the decision to the saving realisation. Whilst elements of the Flintshire Futures programme take a medium-term view, this is not consistently the case across the wider programme, where some plans continue to primarily focus on the shorter term. It is essential that, for all projects within the programme, there is clarity on the timing of and the benefits to be realised and,

where they result in cash savings, how and when it impacts on the MTFP. The Council acknowledges this and has recently reviewed its internal arrangements through the establishment of a Flintshire Futures Board comprising members and officers to oversee the delivery of its efficiency programme.

I have not yet issued a certificate confirming that the audit of the accounts has been completed as there is an outstanding matter raised by a member of the public into which I need to make enquiries.

The financial audit fees for 2011-12 are currently expected to be in line with the agreed fees set out in the Annual Audit Outlines.

Yours sincerely

John Herniman  
Group Director

For and on behalf of the Appointed Auditor  
29 November 2012

Local electors and others have a right to look at the Council's accounts. When the Council has finalised its accounts for the previous financial year, usually around June or July, it must advertise that they are available for people to look at. You can get copies of the accounts from the Council; you can also inspect all books, deeds, contracts, bills, vouchers and receipts relating to them for 20 working days after they are made available. You can ask the auditor questions about the accounts for the year that they are auditing. For example, you can simply tell the auditor if you think that something is wrong with the accounts or about waste and inefficiency in the way the Council runs its services. For more information see the Wales Audit Office leaflet, *Council accounts: your rights*, on our website at [www.wao.gov.uk](http://www.wao.gov.uk) or by writing to us at the address on the back of this report.

## Appendix 4

# Flintshire Council's improvement objectives and self-assessment

### The Council's improvement objectives

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

The Council published its improvement objectives for 2012-13 in its Improvement Plan 2012-2017 which can be found on the Council website at [www.flintshire.gov.uk](http://www.flintshire.gov.uk). They are:

2011-12 and 2012-17 Improvement Objectives
To be a modern, efficient and cost effective public organisation through our four resources strategies - the Medium-Term Financial Strategy, the People Strategy, the Asset Management Strategy and the ICT Strategy - whilst ensuring our local taxes and fees and charges are fair and affordable.
To achieve the greatest possible cost efficiencies through regional and sub-regional collaboration to reinvest in local public services.
To be a modern, caring and flexible employer with fair and equal pay and terms and conditions of employment under a Single Status Agreement.
To achieve the highest standards of customer service and care through our Customer Services Strategy.
To make our communities safe and to safeguard the vulnerable with children and older people being priority groups.
To protect and grow the local and regional economy, to be a prosperous County and to provide help and support for those vulnerable to poverty.
To promote independent, healthy and fulfilled living in the community with the highest quality personalised and supportive social and health care services.
To meet housing need in the County and to work with partners to ensure a sufficient supply of quality and affordable homes and housing services in the social, mixed tenure and private sector housing markets.
To secure a modern and high performing range of learning, cultural, play and leisure opportunities for all ages with our schools, colleges and other partners.
To protect, plan and develop sustainable natural and built environments.

## The Council's self-assessment of performance

The Council's self-assessment of its performance during 2011-12 can be found in its Annual Performance Report. This can be found on the Council's website at [www.flintshire.gov.uk](http://www.flintshire.gov.uk).

## Appendix 5

### Previous proposals or recommendations for improvement made to the Council

Over the course of our work since 2010, we have made proposals or recommendations for improvement. These have previously been reported to the Council and are set out below for information. The Council has made progress in addressing many of these, and this is included below. We will continue to monitor and report on the progress made by the Council in implementing the remaining proposals or recommendations under our future programme of work.

<b>Preliminary corporate assessment 2010</b>		
P1	Review arrangements to ensure that appropriate behaviour standards of councillors are maintained.	Progress has been made. This is now complete.
P2	Complete work on the Council (Governance) Plan Framework.	Progress has been made. This is now complete.
P3	Develop the process to enable the allocation of resources to priorities.	Progress has been made. This is now complete.
P4	Complete the People Strategy 2009-2012 and action plan.	Progress has been made. This is now complete.
<b>Annual Improvement Report 2011</b>		
As above plus the Council should:		
P1	Complete the review of the Priorities of the Administration, formally adopt these as the priorities of the Council, and publish them widely.	Progress has been made. This is now complete.
P2	Establish that there are clear leadership and accountability arrangements, success measures, and reporting processes for progress against all of its priorities.	Progress has been made. This is now complete, as more recent recommendations have superseded this.
<b>Corporate assessment update letter 2011</b>		
P1	By the end of 2011, the Council should complete the development of its medium-term financial plan so as to allow informed decisions on how funding pressures will be addressed and resources allocated to achieve improvement objectives.	Progress has been made. This is now complete, as more recent recommendations have superseded this.
P2	By the end of October 2011, the Council should complete a review of overall progress with the People Strategy 2009-12, prioritise the outstanding actions and resources necessary to achieve them, and report on this to elected members.	Progress has been made. This is now complete.

P3	Develop an improved corporate approach to engagement with communities and users of services including arrangements to enhance the contribution of elected members.	While some progress has been made, this remains an on-going area for improvement, and the proposal remains in place.
<b>Annual Improvement Report 2012</b> These recommendations follow from proposals for improvement made in August 2010 and August 2011.		
<b>Recommendations:</b>		
R1	The Council should report more fully and regularly to the Executive Board on progress in delivering the Human Resources (HR) strategy and Single Status Agreement and ensure capacity and capability are available to achieve intended outcomes and timetables.	Progress has been made. This is now complete.
R2	The Council needs to complete its work in quantifying the financial benefits of its programme of efficiencies and organisational change by mid 2012-13, to determine the remaining funding gap (shortfall or surplus) and then establish clear plans to identify further savings and/or redirect resources to priorities.	Progress has been made, although the Council did not fully meet the planned timescale. The Council's work continues and we shall review progress and report on this during 2013.
<b>Proposals for improvement:</b>		
P1	Complete the work in progress to set clear success measures for all improvement objectives and ensure regular, clear reporting.	This proposal for improvement was first made to the Council in January 2011. Good progress has been made, although this remains on-going work for the Council in 2013.
P2	Develop and agree a detailed business plan for improving customer access showing how success measures will be achieved and offer value for money.	Progress has been made. We will review this work in 2013, and report on this during 2013.
P3	Ensure its Annual Performance Report is published by 31 October in line with statutory requirements and more fully reflects Welsh Government guidance.	Reporting requirements were met in 2012, but a further proposal on improving the quality of the report was made in 2013. Therefore this proposal is now complete.
P4	Improve quality assurance arrangements to ensure that data used to support performance management and monitoring is accurate and robust.	Progress has been made. This is now complete.

## Letter 1 2013: No new proposals or recommendations for improvement

### Letter 2 2013:

#### *Improvement Planning*

P1	Within the context of its medium-term corporate planning, the Council should define a set of annual Improvement Objectives that encapsulates its ambitions for the year and communicate them in a form that enables the public to hold the Council to account for its performance.	Current.
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P2	Ensure that the Improvement Plan available to the public on the Council's website reflects any changes resulting from reviews during the year, and that any revised Plan includes a record of any such changes.	Current.
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#### *Improvement Reporting*

P3	Increase the use of relevant data to support the Council's evaluation of outcomes in relation to its Improvement Objectives	Current.
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P4	Improve the balance of the narrative supporting each assessment, drawing out the lessons learned from particularly successful work and from work that has not gone as well as intended.	Current.
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