



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Annual Improvement Report

Pembrokeshire County Council

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About the Auditor General for Wales

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 Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Assembly Commission and National Health Service 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. The Auditor General's appointed auditors are responsible for the annual audit of the majority of public money spent in Wales, including the £15 billion of funds that are voted to Wales annually by the Westminster Parliament. Nearly £5.5 billion of this funding is passed by the Welsh Government to local government in the form of general and specific grants. Local government, in turn, raises a further £2.1 billion through council tax and business rates.

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 Wales Audit Office aims to make public money count, by promoting improvement, so that people in Wales benefit from accountable, well-managed public services that offer the best possible value for money. It is also committed to identifying and spreading good practice across the Welsh public sector.

Huw Vaughan Thomas, Auditor General for Wales, was supported by Non Jenkins, Jeremy Evans and colleagues under the direction of Alan Morris in conducting the Improvement Assessment and producing this report.

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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 Wales Audit Office and that of relevant Welsh inspectorates, this report presents a picture of improvement over the last year.
- 2 This year's Annual Improvement Report for Pembrokeshire County Council (the Council) draws heavily on the findings of three important reports. In August 2011, Estyn, the education inspectorate for Wales, published its report on the education services for children and young people in Pembrokeshire. Also in August 2011, the Care and Social Services Inspectorate Wales (CSSIW) and Estyn produced a joint report on children's safeguarding arrangements in education. The critical findings of these two reports led the Auditor General to carry out a Special Inspection, the report of which was published in January 2012.
- 3 This report is in three main sections which cover the planning, delivery and evaluation of improvement by the Council.
- 4 Overall, the Auditor General has concluded that the Council has a positive culture of trust and respect and a steady, incremental approach to improvement, but significant shortcomings have been identified in some services and arrangements, which has led to statutory recommendations the Council is now addressing.
- 5 We found that the Council is improving its planning and arrangements for delivering improvement, although there is too much informality and a lack of member engagement and challenge. We reached this conclusion because:
 - there are some weaknesses in the Council's oversight and accountability arrangements;
 - the Council is well placed to address its financial challenges and its medium-term financial strategy has been agreed;
 - the Council is moving forward with job evaluation, single status and workforce planning, but shortcomings in Human Resources practice have been indentified;
 - the Council recognises the importance of technology, and has in place the plans, technology foundations and governance arrangements to deliver efficiencies and service transformation;
 - the Council's approach to information management has supported some improvement over recent years;
 - the Council is committed to further improving its collaboration and partnership working arrangements;
 - public engagement continues to develop; and
 - the Council has complied with its Welsh Language Scheme and is on track to have a Strategic Equalities Plan in place by April 2012.

- 6 We also found that the Council's delivery of improvement in priority areas is variable. We based this conclusion on the following:
- Social services performance is steady but the Council has failed to manage some significant risks and challenges, leading to poor outcomes for some people in need. However, excellent progress is being made towards achieving the Welsh Housing Quality Standard.
 - Education has been judged as in need of significant improvement due to shortcomings in important areas.
 - Clear achievements have been delivered to make the area a safe, prosperous and pleasant place, but the focus of some of its priorities is making it difficult for the Council alone to demonstrate impact.
- 7 Finally, the report sets out our views on the Council's own assessment of its performance and arrangements. We concluded that the Council's reporting of its performance continues to improve but evaluation of its strengths and weaknesses needs to be more challenging in some areas.

Recommendations and proposals for improvement

8 The Special Inspection report has made a number of recommendations for which the Council must prepare a statement of action within 30 days of receipt of that report. The Special Inspection report can be found on our website: www.wao.gov.uk.

9 The seven statutory recommendations made to the Council in the Special Inspection are all related to governance issues. The inspection report recommends that the Council:

Recommendations for improvement

R1 Clarify, in an easily understandable format, governance and decision-making roles, specifically of the:

- Cabinet
- Scrutiny Committees
- Corporate Governance/Audit Committee
- Corporate Management Team

R2 Ensure that appropriate documentation is kept of meetings, proposals and business cases and decisions, and made readily available, to provide assurance that decision-making is undertaken appropriately and transparently.

R3 Take steps to ensure that Councillors are clear about what is expected of them and are effectively supported in whatever role they perform; including by:

- setting out role descriptions;
- delivering role-specific training;
- evaluating the effectiveness of Councillors in their roles; and
- considering how scrutiny can be better supported.

R4 Set out clearly, in a policy or protocol, what information Councillors can expect to receive, its frequency and the methods of communication.

Recommendations for improvement

- R5** Ensure that scrutiny programmes are aligned to the strategic business of the Council; to include:
- more frequent scrutiny of budget and performance;
 - scrutiny of corporate policy and practice;
 - overview and scrutiny of risks;
 - overview and scrutiny of equalities and diversity policy and practice; and
 - ensure that the Cabinet forward work programme is shared with scrutiny chairs in a timely way.
- R6** Continue with amendments to the Constitution to improve openness, transparency and to promote effective challenge.
- R7** Put quality assurance arrangements in place to ensure that mechanisms of management and supervision are effective.

10 Our other work has led us to highlight the following proposals for improvement:

Proposals for improvement

- P1** The Council, in reviewing its partnership working arrangements, should also evaluate the joint collaboration and secondment arrangements between the Council and Hywel Dda Local Health Board to assess the effectiveness and sustainability of these arrangements.
- P2** The Council should continue to develop its annual review of governance arrangements to provide a more robust self-evaluation of their effectiveness against the Local Code of Corporate Governance.
- P3** To support its ability to evaluate and sustain improvement the Council should:
- ensure that targets set are both meaningful and challenging;
 - develop more appropriate outcome-based measures of success;
 - distinguish between short, long and medium-term actions; and
 - develop a more comprehensive evidence base to evaluate progress such as benchmarking, user feedback, internal and external reviews.
- P4** The Council should continue to address the proposals and actions for improvement we have set out in our thematic study feedback reports.

Detailed report



Introduction

- 11 This report was prepared by the Wales Audit Office on behalf of the Auditor General. On [page 2](#) you can find a brief explanation of what the Auditor General does.
- 12 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 (CSSIW), and the Welsh Language Board, 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.
- 13 Throughout the report, we set out what the Council needs to do to improve its services. 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 it to do something about them and we will follow up what happens.
- 14 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 or writing to us at 24 Cathedral Road, Cardiff, CF11 9LJ.

The Council has a positive culture of trust and respect and a steady, incremental approach to improvement, but significant shortcomings have been identified in some services and arrangements, which has led to statutory recommendations that the Council is now addressing

- 15 We do not undertake a comprehensive annual review of all council arrangements or services. Our work has been focused on the main objectives the Council has set itself and some other key issues relating to the work of other inspectorates and the Auditor General during the year. The report builds upon earlier feedback and reports issued to the Council, including the Special Inspection report, and the conclusions are based on our cumulative and shared knowledge and findings from work undertaken this year.

The Council is improving its planning and arrangements for delivering improvement although there is too much informality and a lack of member engagement and challenge

- 16 The Council has been subject to significant scrutiny by regulators, inspectorates, and Welsh Government Ministers during 2011.
- 17 On 20 June 2011, the Auditor General issued a letter to the Council providing an update on his 2010 Corporate Assessment. Among the key conclusions were that the Council was likely to comply with its duties during the 2011-12 financial year, including its duties to put in place arrangements to secure continuous improvement, as:
- the Council had made significant progress in addressing workforce issues;
 - the Council was clear about its improvement objectives and what it needs to do to achieve them; and
 - the Council is well placed to address its financial challenges, although it still needs to formalise its medium-term financial plans.
- 18 In August 2011, Estyn, the education inspectorate for Wales, published its report on the education services for children and young people in Pembrokeshire. It judged the Council's education services for children and young people as 'unsatisfactory' overall, and its capacity to improve also as 'unsatisfactory'.
- 19 The inspection report contained six recommendations, and the Council submitted an action plan to Estyn to show what it would do to address these.
- 20 The inspection report notes that: 'Estyn is of the opinion that the authority is in need of significant improvement specifically due to shortcomings in the important areas of safeguarding and in associated failures in corporate culture and systems. The authority will require re-inspection. The date and focus of the re-inspection will be determined by Estyn in due course.'¹
- 21 Further details of this Estyn inspection report can be found at <http://www.estyn.gov.uk/english/provider/668LAESCYP/>
- 22 Also in August 2011, the CSSIW and Estyn produced a joint report on children's safeguarding arrangements in education. It stated that: 'The absence of effective governance in relation to safeguarding and protecting children reflects the specific failures within the culture of the authority as a whole. The shortcomings with the authority's arrangements to safeguard and protect children are longstanding and systemic. This is indicative of the deep-seated nature of these problems and failings within the authority.'²
- 23 As a result, a Ministerial Advisory Board has been established by Welsh Government Ministers to advise the Council and monitor its progress in addressing the issues raised in the investigation report.
- 24 Further details of this CSSIW and Estyn joint investigation report can be found at <http://wales.gov.uk/docs/cssiw/report/110811pemben.pdf>

¹ *A report on the quality of local authority education services for children and young people in Pembrokeshire County Council – Estyn, Her Majesty's Inspectorate for Education and Training in Wales, June 2011.*

² *Joint investigation into the handling and management of allegations of professional abuse and the arrangements for safeguarding and protecting children in education services in Pembrokeshire County Council – Care and Social Services Inspectorate Wales, Estyn – Her Majesty's Inspectorate for Education and Training in Wales, August 2011.*

- 25 In October 2011, the CSSIW reported its Annual Review and Evaluation of the Council's performance in social services during 2010-11. Some of the issues raised relate to how well the Council is planning for improvement as follows.
- 26 'Adult safeguarding remains a strong area of performance for the Council with effective leadership of the co-ordinator, but it needs to ensure consistent arrangements at all times.
- 27 Much work has been completed (in children's services) with the internal review of the capacity and structure of the assessment care management arrangements. The revised arrangements should improve the quality and consistency of front line service provision. To achieve this there will need to be strong leadership, sound management of change and good corporate support to ensure the success of the plan.'³
- 28 Further detail on these strengths and areas for development can be found in CSSIW's Annual Review and Evaluation which is available on CSSIW's website:
http://wales.gov.uk/docs/cssiw/publications/LA_evaluation1011/111028pemben.pdf.
- 29 In September 2011, the Auditor General announced his intention to conduct a special inspection in November 2011 into corporate governance at Pembrokeshire County Council⁴. The Special Inspection was published in January 2012 . The main conclusions of the Special Inspection are set out below.
- 30 'The Council has a positive culture of trust and respect that has delivered benefits; however, too much informality and lack of consistently effective challenge has weakened accountability, leaving the Council open to unnecessary risk:
- The Council has a history of stable management, good financial stewardship, and a steady, incremental approach to improvement.
 - A culture of mutual respect and trust exists between most councillors and officers, leading to productive working relationships.
 - A lack of clarity and understanding in relation to some roles and responsibilities, along with some lack of transparency, means that effective challenge is not a consistent feature of governance.
 - In some instances, an over-reliance on informal management approaches has weakened accountability and led to some complacency and exposure to risk. However the Council has now begun to address these issues'.

³ *Annual Review and Evaluation of Performance 2010/2011 Pembrokeshire County Council – Care and Social Services Inspectorate Wales, 31 October 2011.*

⁴ *Special Inspection – Pembrokeshire County Council – Wales Audit Office, January 2012.*

There are some weaknesses in the Council's oversight and accountability arrangements

31 The Auditor General's Special Inspection included some specific conclusions in relation to the Council's governance arrangements as follows:

- there is a lack of clarity and understanding in relation to some roles and responsibilities;
- there is some lack of transparency as information is not always routinely shared; and
- effective challenge is not a consistent feature of governance.

As noted in the Recommendations and Proposals for Improvement section above, the Special Inspection also makes seven statutory recommendations to the Council, all of which are related to governance issues.

32 The Estyn inspection report on education services issued in August 2011 judged the Council's education leadership as unsatisfactory.

33 The CSSIW's and Estyn's investigation into the Council's children's safeguarding arrangements in education in August 2011 concluded that: 'There has been a lack of oversight by elected members and officers, at the most senior level within the authority of the management and handling of cases of alleged professional abuse in education services. The absence of effective governance in relation to safeguarding and

protecting children reflects the specific failures within the culture of the authority as a whole.'

34 The CSSIW reported in October 2011 in its Annual Review and Evaluation of the Council's performance during 2010-11 some areas of strength and improvement relating to the Council's leadership and governance arrangements. These include:

'What the Local Authority does well:

- continued effective adult protection practice and leadership of the safeguarding team; and
- clear aims and vision for the Council;

What the Local Authority needs to develop/improve:

- develop additional leadership capacity within the safeguarding team;
- ongoing management of the external market following the outcome of the judicial review; and
- ensure that robust scrutiny arrangements are in place and evidenced.'

35 We observed a number of the Council's Environment Overview and Scrutiny Committee meetings earlier in 2011 and concluded that:

- The Committee was provided with appropriate and relevant information. Presentations, although sometimes overly technical, were used to provide information and to stimulate debate.

- An inclusive chairing style helped to ensure that the public and witness attending the meeting were welcomed and engaged.
- Roles and responsibilities within the observed meetings were sufficiently clear.
- Discussion was open and well managed by the Chair. Most members engaged in the debates but the debate overall supported 'oversight' rather than more detailed searching questions to support scrutiny.

- 36 Some suggestions for improvements were made, including the following:
- to help with managing the reports going to scrutiny and to ensure everyone is clear why reports are on the agenda, the purpose of each report or presentation should be made clear;
 - ensure that presentations and other information are presented in the most appropriate way to support members in delivering their scrutiny role; and
 - improve the skills needed by members to develop more probing questions and better lines of enquiry to help deliver more impactful and effective scrutiny.
- 37 The Council, through its Corporate Governance Committee, is also undertaking a root and branch review of its constitution. All councillors are involved in this review and the Council has engaged the Welsh Local Government Association to undertake research work on its behalf which will be presented to the Council's Corporate Governance Committee to inform its deliberations.

The Council is well placed to address its financial challenges and its medium-term financial strategy has been agreed

- 38 Our 2011 Corporate Assessment Update letter to the Council reported that it is well placed to address its financial challenges, and that it has concluded that it can maintain current service levels within the forecast financial settlements. At the time, the medium-term financial strategy was still to be agreed.
- 39 Since then, the Council has agreed its medium-term financial plan for the period April 2011 to March 2014 which was presented to Cabinet in October 2011.
- 40 The Council has consistently had the lowest council tax rate of all 22 Welsh authorities (based on a band D property). This has continued for 2011-12 and the medium-term financial plan is based on the assumption that council tax will remain constant in 'real' terms over the three-year period.
- 41 Officers will need to review and report progress against the plan, ensuring that members are able to consider this when setting and reviewing the Council's priorities and objectives. One of the recommendations made in the Auditor General's Special Inspection report is that there needs to be more frequent councillor engagement in monitoring and scrutinising the Council's finances and budget.

- 42 The Special Inspection notes that: 'The Council has a strong record of delivering within its available resources and has prioritised keeping council tax low compared with other Welsh councils. For a number of years the council tax for a band D property in Pembrokeshire has been the lowest in Wales. The Auditor General's 2011 Corporate Assessment Update letter to the Council reported that it is well placed to address the financial challenges facing the public sector, and that the Council has concluded that it can maintain current service levels within the forecast financial settlements. However, the Welsh Government has since reduced available funding for schools modernisation, and so the Council will need to find an additional £30 million, which will require some difficult decisions regarding the affordability of current service levels.
- 43 The inspection also notes that: 'Since its formation, the Council has adopted a steady, incremental approach to improvement as there has been no apparent need for step change. Now, however, given the recent findings of the reports by Estyn and CSSIW, and the need to revisit finances with potential reductions in service, the Council is facing unprecedented challenges in its history. There will be a need to maintain the positive attributes of firm leadership and a strong team ethos in the face of these challenges. The Council will also need to ensure that recent improvements in the reporting of its performance are continued so as to ensure that Councillors and residents are able to fully understand the choices that the Council faces in the context of current levels of service, performance, and available resources.' The Council is building capacity through efficiency savings that amounted to £2 million in 2010-11, through vacancy management, streamlining management structures and procurement.
- 44 The auditor appointed by the Auditor General reported in his Annual Audit Letter to the Council in December 2011 that the Council has complied with its responsibilities relating to financial reporting, although there are some areas where this can be improved. Appendix 3 gives more detail.
- 45 The Estyn inspection report in August 2011 judged the resource management arrangements to achieve value for money in education as adequate.
- 46 The CSSIW reported in its recent Annual Review and Evaluation of the Council's Performance during 2010-11 what the Council does well and needs to develop or improve in relation to resource management as follows:
- 'What the Local Authority does well:
- effective management of financial pressures; and
 - development of commissioning strategies in some service areas, including older people and people with dementia.
- What the Local Authority needs to develop/improve:
- improving links between front line services and commissioning to inform independent sector service development.'

47 The CSSIW's evaluation also noted that the Council reports there was no overspend in either the corporate budget or the social care budget for 2010-11.

The Council is moving forward with job evaluation, single status and workforce planning, but shortcomings in Human Resources practice have been identified

- 48 Our 2011 Corporate Assessment Update letter reported that the Council has made significant progress with single status and in workforce planning and managing staff performance.
- 49 The Council has still to conclude its negotiations to achieve a single status agreement for equal pay, but anticipates doing so towards the end of the 2011-12 financial year. As part of this, the Council is evaluating jobs and it anticipates reaching agreement with staff during the next six months. The resolution of both job evaluation and single status should provide the Council with more certainty over its future pay costs, as it continues to refine the medium-term financial plan.
- 50 The Estyn inspection reported in August 2011 that: 'The local authority's systems for safe recruitment, and for the risk assessment of activities and of individuals who may pose a threat to children and young people, are not fit for purpose.'
- 51 The CSSIW's and Estyn's investigation report into arrangements to safeguard children in education in August 2011 stated that: 'Chief officers and senior managers have not exercised adequate oversight of the personnel function in relation to safeguarding across the authority.'
- 52 The CSSIW also reported in its recent Annual Review and Evaluation of the Council's performance during 2010-11 some areas where the Council's human resources are doing well as follows:
- 'What the Local Authority does well:
- progress with single status, in workforce planning and managing staff performance; and
 - established programme of good quality safeguarding and training.
- 53 The Auditor General's Special Inspection found that: 'There is a performance appraisal system in place whereby performance is reviewed twice yearly. People are set targets and a sample of appraisals bear out that these are clear and capable of being evaluated as achieved or not. However, we found some evidence that performance appraisal is not consistently implemented for all staff, and that in some cases it can be rather light touch with documents not adequately explaining performance beyond the superficial.'
- 54 The inspection also 'found examples of senior managers not checking that instructions had been carried out to the standard desired, and making the presumption that their accountability was discharged once an instruction has been given. The Council must ensure that performance appraisal exists not just as twice yearly one-off events, but that it is an ongoing tool of management and that simple checking is legitimate and necessary to take assurance that services are being managed and delivered appropriately.' We will undertake a further review of the Council's human resource arrangements early in the new year and the outcomes will be reported in our next Corporate Assessment Update.

The Council recognises the importance of technology, and has in place the plans, technology foundations and governance arrangements to deliver efficiencies and service transformation

55 Our review of the way the Council uses technology, which is essential for transforming the delivery of public services, improving outcomes for citizens and delivering efficiency savings, concluded that:

- The Council recognises the importance of technology; has in place the plans, technology foundations and governance arrangements to deliver efficiencies and service transformation; but needs to further exploit technology to maximise benefit realisation.
- Current arrangements are sound with some examples of good practice.
- Performance is sound but lacks effective member scrutiny and challenge. The Council's capacity to continue to deliver technology changes and increasing demands without impacting on the quality of service provision will be a challenge.

The Council's approach to information management has supported some improvement over recent years

56 Due to the increasing financial pressure on the public sector there is a need to maximise and exploit the information held to deliver and plan for quality services effectively. Our review of the way the Council manages information concluded that:

- the Council's approach to information management has supported some improvement over recent years;
- current arrangements need to be strengthened to provide greater corporate ownership, control and direction, to ensure that they are effective in managing the risks presented by information going forward; and
- performance is sound and the Council is working actively towards better and more effective ways of managing information.

The Council is committed to further improving its collaboration and partnership working arrangements

57 Our 2010 Preliminary Corporate Assessment noted that overall, the Council's approach to partnership working in Pembrokeshire is providing a good platform for delivering change and improvement, and that the Council is further strengthening some aspects of partnership working.

58 Since then, the Council has made arrangements to further rationalise its plans and partnerships and review the role of its Local Service Board to support this. It is also reviewing its scrutiny arrangements to challenge the progress of the key partnerships in achieving better outcomes for the citizens of Pembrokeshire. We would suggest that this review of partnership working should include an evaluation of the joint collaboration and secondment arrangements between the Council and Hywel Dda Local Health Board to ensure arrangements are effective and sustainable, and governance arrangements are robust.

59 The Estyn inspection report in August 2011 judged partnership working in education as adequate.

60 The CSSIW also reported in its recent Annual Review and Evaluation of the Council's social services performance during 2010-11 that the Council does a number of things well in relation to partnership working, as follows:

'What the Local Authority does well:

- ongoing improvements to initial access arrangements through the development of integrated professional help desk;
- establishment of integrated assessment within hospital and community which demonstrates constantly improving performance to prevent admission and facilitate discharge;
- development of new integrated assessment teams and services;
- strong partnership working and progression of the integration agenda in adults services;
- partnership arrangements in some service areas; and
- taking forward service integration in adult social services.

What the Local Authority needs to develop/improve:

- revision of the management arrangements for the West Wales adoption consortium.'

61 The CSSIW's evaluation noted the following as good practice.

Good practice

'The Council has established new assessment teams to try and improve service at different points in the care pathway and to facilitate timely discharge from hospital. A joint discharge team has extended its working hours and now provides social work cover from 8 am to 8 pm. Through linking in with the multi-disciplinary assessment support team consisting of nurse, social services and therapies cover, there have been demonstrable benefits of an improved service for patients. The joint discharge team and the community resource teams work closely with the multi-disciplinary assessment support team in Worthybush Hospital to prevent unnecessary admissions. During 2010-11, 65 admissions were prevented where either appropriate care was sourced in the community or information/advice was given. The community resource teams were able to maintain a further 18 service users at home as an alternative to hospital admission. These developments are seen as examples of good practice.'

Public engagement continues to develop

- 62 Our public engagement study concluded that the Council is clearly committed to both informing and consulting the public. However, it does not yet clearly communicate the impact of engagement on its decision making and fully recognise the opportunities and benefits that better public engagement could bring. Our work identified the following as good practice.

Good practice

The Council's support for FRAME, a community-led furniture recycling and reuse project, is an example of good practice that has allowed this group to become more empowered as a commercial entity. FRAME has survived and flourished because it managed to develop capacity and to be sufficiently clear about its business to become self-sufficient. FRAME is now expanding into non-waste management areas such as grass cutting and horticulture. FRAME is a good example of the Council empowering the public to deliver waste and recycling projects or services, and of a well-operated community sector business.

- 63 The CSSIW reported in its recent Annual Review and Evaluation of the Council's social services performance during 2010-11 what the Council does well and needs to develop/improve in relation to public engagement as follows:

'What the Local Authority does well:

- developing engagement and consultation with customers;
- innovative approach to providing a guide to social care services; (adults' services)
- service user consultation and feedback at different stages of assessment and care management process;
- positive service developments which promote and support independence; and
- improving strategic planning for services for young carers.

What the Local Authority needs to develop/improve:

- development of good neighbour schemes; and
- ensure that children's and young people's views are recorded on plans and reviews.'

- 64 The Public Service Ombudsman for Wales's Annual Summary provides a breakdown of all complaints received and investigated by his office in relation to the Council during 2010-11. In his letter to the Council in July 2011, he notes that the performance of the Council shows a large increase in the number of complaints received by his office, particularly in relation to Housing and Planning and Building Control. The figures in relation to these two areas of complaint, as well as the total number of complaints received by him are higher than the average for councils in Wales. However, the Ombudsman has not needed to commence any investigations during 2010-11, and the majority of complaints to his office were classed as 'premature'.

The Council has complied with its Welsh Language Scheme and is on track to have a Strategic Equalities Plan in place by April 2012

- 65 The Welsh Language Board has praised the Council for its compliance with the Welsh Language Scheme in providing electoral documentation in Welsh and for providing a comprehensive bilingual website. The main area identified that required further attention was the provision of data on the linguistic skills of the workforce, and how the information is kept and utilised in order to plan for the delivery of services in Welsh. The Council has prepared a Linguistic Skills Strategy to address this issue.
- 66 The Council is on track to discharge its duties under the 2010 Equalities Act, with plans in place to prepare a strategic equalities plan by April 2012, supported by a Corporate Equalities Working Group and e-learning packages for councillors and staff.

The Council's delivery of improvement in priority areas is variable

67 This part of the report sets out how well the Council is improving its services under each of the eight themes that it has set as part of its Community Strategy and Improvement Plan as a framework for its partnership working and service improvement. More information on these can be found in [Appendix 4](#).

68 It also reflects the views of CSSIW in relation to adults' and children's services, and Estyn in relation to education, and draws upon our own reviews of the Council's performance against the specific improvement objectives the Council set itself to achieve during 2010-11.

Social services performance is steady but the Council has failed to manage some significant risks and challenges, leading to poor outcomes for some people in need. However, excellent progress in being made towards achieving the Welsh Housing Quality Standard

69 The Auditor General has relied on the views, work and evaluations undertaken by the CSSIW during the year to assess how well the Council is supporting people in need. The CSSIW's evaluations are summarised in its most recent Annual Review and Evaluation of Performance 2010-11 as set out in a letter to the Director of Social Services of the Council in October 2011. The main conclusions from the CSSIW's evaluation are summarised in the following paragraphs.

70 'The Council has continued to make good progress this year in taking forward a joint integration agenda for adult social care with Hywel Dda Health Board. Whilst integrated services are demonstrating new approaches to undertaking assessments, care management teams need to demonstrate improved consistency, quality and timeliness. Performance in the recording of carers' assessments also needs to improve. The range of adult services continues to develop and, as a result of integration, shows clear evidence of improved outcomes for service users. Adult safeguarding remains a strong area of performance for the council with effective leadership of the co-ordinator, but it needs to ensure consistent arrangements at all times. There is a good and improving level of performance demonstrated in helping to support people to remain living in the community. For older people there has been an increase in the rate of delayed transfer of care from hospital for social reasons.

71 Children's services have maintained a reasonable level of progress over the past three years with no remarkable difficulties in performance indicators. However a number of reviews have identified issues with the quality of some practice and service provision. The Council has recognised the need to drive improvement in this area. Much work has been completed with the internal review of the capacity and structure of the assessment care management arrangements. The revised arrangements should improve the quality and consistency of front line service provision. To achieve this there will need to be strong leadership, sound management of change and good corporate support to ensure the success of the plan. The Council will need to

closely monitor and manage the demand for children's services, with the increasing numbers of children whose names are on the child protection register and children who are looked after.

- 72 The Council has made significant progress with single status in workforce planning and managing staff performance. Training and development opportunities continue with some examples of good training. The medium-term financial strategy for revenue expenditure, which will cover the three-year period from 2011 to 2014, is in the process of being formalised. Comparative to other organisations the Wales Audit Office regards the Council as being well placed to deal with the financial challenges ahead. There has been progress in developing commissioning intentions for some adult service groups, with the Council fully engaging in regional work to develop commissioning frameworks for both people with a learning disability and mental health needs. Delivering the dementia action plan is a priority for the Council next year.
- 73 A significant event for the Council this year has been the challenge from the independent sector regarding fee levels paid by the council for residential care. The judicial finding against the Council received significant media interest.
- 74 During August 2011, the CSSIW and Estyn published a report of their joint investigation into the handling and management of professional abuse and the arrangements for safeguarding and protecting children in education services in Pembrokeshire. As a

consequence the Council was subject to Ministerial direction to ensure that children are effectively safeguarded and protected.'

- 75 In September 2011, the Minister for Local Government and Communities appointed a Ministerial Advisory Board to support and challenge the Council as it takes forward its actions for improvement and change.
- 76 In its Annual Evaluation, the CSSIW sets out key areas of strength and areas for development/improvement for the Council's social services, some of which are included in this report. For a full copy of these, please find the CSSIW's Annual Review and Evaluation report for 2010-11 at http://wales.gov.uk/docs/cssiw/publications/LA_evaluation1011/111028pemben.pdf.
- 77 Our review of the Council's assessment of whether it achieved its improvement objectives to support people in need found that:

Generally, against its wellbeing theme the Council has set clear plans and invested in improving its performance and building effective partnerships, although it may take some time before local people experience improved outcomes in all areas

- 78 The Council has, with its partners, put new structures in place to help drive improvement in the wider factors of health and wellbeing, including child poverty. The economic slowdown has adversely affected progress in this area and there is further work to do to address what is a complex issue.

- 79 The Council continued to improve services that will lead to better public health in the longer term through a range of projects designed to increase activity and help people adopt healthier lifestyles. Examples of improvements include:
- increasing the proportion of people regularly using leisure centres by seven per cent, putting the Council in the top quartile of performance on an all-Wales basis;
 - GP referrals to exercise clubs have increased with 45 per cent of participants planning to continue to exercise after the referral plan has ended, helping to reduce chronic conditions;
 - strengthened links between secondary schools and sports clubs leading to more projects to enhance wellbeing, including: Bikeability schemes; healthy eating programmes; and lifesaving clubs linked to the RNLI;
 - free swimming on Saturdays for young people;
 - opening a new sports hall at St Davids, providing easier access to leisure for local people; and
 - Community Resource Teams have contributed to reducing the number of over 65s admitted to hospitals.

- 80 The Council is supporting a greater proportion of vulnerable people, and meeting their needs, for example:
- 91 per cent of looked after children's reviews are being done within statutory timescales;
 - 100 per cent of young carers' needs are being assessed compared with 41 per cent in 2009-10;
 - benefits claims are now being processed much more quickly despite increased workloads; and
 - the rate of older people supported in the community is up to 83 per cent against a target of 68 per cent and the rate of older people supported in care homes is down to 17.9 per cent against a target of 20 per cent.

The Council and its partners have worked hard to bring funding in to the county to help develop communities, but it is not possible to assess if the Council has achieved its objectives within its Community Theme

- 81 The Council raised £2.5 million of external funding to support community projects, and of those supported 87 per cent saw improved numbers participating or attending. New or improved community facilities are being put in place, for example, linked to the new community facilities within the school in Tegryn, a community facility for the area is being developed. Future plans intend to increase the use of local schools by the community.

82 However, this objective is very broad and not all the outcomes are within the Council's gift to deliver. The objective may therefore be more appropriate at the Local Service Board level. If it is retained as a Council objective then better measures are required to illustrate whether or not real improvements in outcomes for local people are resulting from the Council's efforts.

The Council has made good progress in improving within its housing theme with significant progress towards reaching the Welsh Housing Quality Standard, but it does not always set itself challenging enough targets

83 The Council performed well in preventing homelessness, processing claims more quickly and investing in more appropriate accommodation. The homelessness service has been transformed in the last five years and now compares well with the rest of Wales.

84 The Council significantly improved its performance in providing more timely Disability Facilities Grants and discharge of homelessness duties over the last year and is now much better than the Welsh average.

85 The Council is one of the few authorities to be making good progress towards achieving the Welsh Housing Quality Standard (WHQS) by 2012. It is ahead of all other councils and is planning to ensure that its houses meet the standard by the Welsh Government's original deadline of 2012. Our national study assessing *Progress in delivering the Welsh Housing Quality Standard* recognises the

good progress made by the Council. It notes that in Pembrokeshire, 60 per cent of homes were reported to have met the WHQS by 31 March 2010. Across Wales, only 15 per cent of local authorities' homes were reported to have met the WHQS by 31 March 2010. In those six authorities where tenants had voted against transferring their housing stock to another landlord, were yet to vote or where transfer was yet to take place, no more than one per cent of homes met the WHQS.

86 However, for some other housing services, there is evidence of a lack of ambition, with the Council setting targets for performance below or only just above the previous year's performance. Examples include looked after children known to be in suitable non-emergency accommodation at 19. In 2009-10 the Council achieved 94.1 per cent, but then set itself a target of 80 per cent for 2010-11, which was lower than it had achieved in the previous year. Similarly, having achieved 159 days in 2009-10 to discharge its duty for homelessness, the Council set a target of 160 days for 2010-11.

Education has been judged as in need of significant improvement due to shortcomings in important areas

87 The Auditor General has relied on the views, work and inspections undertaken by Estyn during the year to assess how well the Council is helping people develop. Estyn has provided the Auditor General with a summary of the Council's performance as set out in the following paragraphs.

- 88 'When a range of contextual information is taken into account, the performance of learners in Pembrokeshire is slightly below average in key stage 1, around average in key stage 2 and slightly above average in key stage 3. In key stage 4 performance is above average on two measures but below average on the other three. Too few schools are in the top 25 per cent when compared to similar schools across Wales.
- 89 There is a declining trend against the Welsh Government's benchmarks for performance based on free-school-meal entitlement. In 2007, Pembrokeshire met all three of these benchmarks, in 2008 it met two but in both 2009 and 2010 it only met one. Benchmark information for 2011 is not yet available.
- 90 Attendance in primary and secondary schools is below average when contextual information is taken into account. There have been no permanent exclusions over the last four years and the number of exclusions of six days or more is well below the Wales average. However, shorter exclusions have increased and do not compare well to other authorities.'
- 91 Estyn also provided the Auditor General with a summary of its inspection in June 2011 of Pembrokeshire's education services for children and young people as follows.
- 92 'Inspectors judged that the local authority's education services for children and young people are unsatisfactory because:
- the local authority's policies and systems for safeguarding children and young people are not fit for purpose;
 - the authority has met or exceeded only seven of the 12 Welsh Government benchmark expectations for the last four years;
 - learners do not generally perform at expected levels at the end of key stage 1 and key stage 4; and
 - attendance rates in primary and secondary schools are only adequate and they have declined over the last four years.
- 93 However:
- learners achieve generally good standards at the end of key stage 2 and key stage 3 as do learners aged 17 taking external examinations;
 - support for additional learning needs and provision for access and school places are good; and
 - overall the rates of pupil exclusion from schools are low and there are good systems in place for consulting learners.
- 94 Inspectors judged that the local authority has unsatisfactory prospects for improvement because:
- there has been a systemic corporate failure to respond sufficiently to safeguarding issues;
 - the quality of the information that officers share with elected members does not enable them to challenge the performance of services and schools sufficiently;
 - performance management in the past has not been effective enough in securing improvements against certain key indicators; and
 - value for money is adequate.

95 However:

- The local authority has taken difficult decisions in reducing surplus places in its schools. Since the last inspection in 2008, it has closed six primary schools and opened two community primary schools and invested £13.5 million in new and refurbished schools.
- The authority has responded well to most of the recommendations from the 2008 Estyn reports on education and youth support services.

96 Inspectors recommended that, in order to continue to improve, the authority should:

- 1 undertake a comprehensive and rigorous evaluation of all safeguarding work within the education department and its schools, including taking urgent steps to remedy deficiencies in the governance and management of safeguarding, including associated functions in human resources;
- 2 raise standards in schools particularly at the end of key stage 4;
- 3 increase attendance rates in primary and secondary schools by the end of the academic year 2011-2012;
- 4 improve the working of the overview and scrutiny committee through:
 - the provision of full, relevant and transparent information from officers to inform elected members; and

- training for elected members to ensure that they can be more effective in challenging the performance of the authority's services and its schools and safeguarding arrangements in order to hold officers to account;

- 5 improve the accuracy and rigour of the authority's own evaluations of how well the council and its partners perform, in relation to how services and partnership working are impacting on outcomes for learners; and
- 6 improve the 'access to mediation' services for parents and carers.

97 Progress in addressing the recommendations will be monitored by Estyn. Estyn is of the opinion that the authority is in need of significant improvement specifically due to shortcomings in the important areas of safeguarding and in associated failures in corporate culture and systems. The authority will require re-inspection. The date and focus of the re-inspection will be determined by Estyn.'

98 The Council set three improvement objectives for 2010-11 relating to developing people in Pembrokeshire under the theme of learning. The Estyn inspection report from June 2011, as summarised earlier in this report, refers to its assessment of whether the Council has met these objectives.

Clear achievements have been delivered to make the area a safe, prosperous and pleasant place, but the focus of some of its priorities is making it difficult for the Council alone to demonstrate impact

99 The Council set 13 improvement objectives for 2010-11 relating to promoting a safe, prosperous and pleasant place to live under four themes. Our review of the Council's assessment of whether it achieved its improvement objectives to provide a safe prosperous and pleasant place to live found that:

Local people are benefitting from an improving natural environment

100 The Council is committed to improving the environment. The Council's associated plans and the partnership working it is engaged in suggest that this theme represents an area of improvement for the Council. Examples include:

- Carbon saving schemes have been built into regular maintenance and improvement work.
- Fourteen thousand street lights will be out between midnight and 5.30 am to save 1,000 tonnes of CO₂ and £185,000.
- Feasibility work has been undertaken to evaluate further energy saving schemes including the Cleddau weir for hydro-electricity and the mitigation of flooding risks.

- Food waste collections are now extended to half of all households in the county contributing to 45.1 per cent of waste being reused, recycled or composted, against an overall Welsh performance of 43.6 per cent. The Council plans to extend food waste collections further in following years to enable it to continue to meet the increasing targets set by the Welsh Government.
- 97.5 per cent of the Council's highways and relevant land was judged to be of 'high' or 'acceptable' standards of cleanliness when inspected. This is well above the Welsh average of 93.8 per cent for 2010-11.

101 Although the Council's indicators reflect on widespread improvement in the environment theme, there is some evidence that the Council could be more ambitious, particularly in an area that it has chosen as an improvement objective and which also forms part of the county's agreed Community Strategy. For example:

- Having achieved a 2.5 per cent reduction in CO₂ emissions in 2009-10, the Council's target for 2010-11 was only a two per cent reduction, against a Welsh Government target of a three per cent reduction from 2011 onwards.
- Having achieved 55.7 per cent performance in municipal waste going to landfill in 2009-10, the target for 2010-11 was only to reduce to 55 per cent. This means that to meet the Welsh Government target to recycle 52 per cent of waste by 2013, the Council will need to significantly reduce the waste it sends to landfill, to 48 per cent by that time. The Council has plans in place to make these significant reductions.

The Council and its partners have made some good progress in putting in place the building blocks for longer-term economic development of the county although it will find it difficult to measure improvement

- 102 Projects to improve town centres and support the tourism sector are underway or in the pipeline. These include schemes in Pembroke, Pembroke Dock, Haverfordwest, Tenby, Saundersfoot, Fishguard and some coastal villages. The Council is also supporting economic development through accessing grants for both property development on strategic employment sites and for small and medium-size enterprises in eligible sectors. In addition, approximately £3 million of Rural Development Fund money has been secured to support the rural economy.
- 103 However, the Council has not set appropriate and proportionate measures to keep track on whether its economic improvement objectives are being achieved. For instance, no measures are in place to assess the impact of improving town centres and no indicators were set for contributions received from developers. Some indicators are more focussed on inputs than focussed on impact and the delivery of outcomes. Also, for some measures the Council has little or no ability to influence them, such as the number of new business enquiries received or the tourism conversion rate (visits resulting from brochures requested). This lack of clarity around its improvement objective undermines some of the good work undertaken by the Council and its partners in improving the economy and putting in place long-term plans for further significant economic development.

The Council can show that it is making a difference for local people in terms of its contribution to improving local transport and access, but is not setting itself challenging enough targets

- 104 There remains significant work to be done in terms of using funding, in some cases already secured, to improve access to and from important local employment sites and to widen broadband access across the county.
- 105 The Council could have selected more appropriate performance indicators to measure how well it was providing access to the county. Some indicators, such as the number of 60+ year olds holding concessionary bus passes and the number of passengers using coastal buses, may not give a clear picture of improved access to and around the county. However, no targets were set for: the improvement of broadband communications; measuring disruptions to traffic flow; or the easy accessibility of sufficient parking whether on or off-street.
- 106 There are examples of a lack of challenge and ambition in the Council's target setting. Bus journeys were targeted to reduce by 11 per cent from 2009-10 to 2010-11 and coastal bus journeys were targeted for just a 0.1 per cent rise. Whilst both targets were exceeded by actual performance by 17 per cent and 40 per cent respectively.

The Council and its partners are showing strong sustained performance in the area of minimising crime and road deaths and injuries, however, it is a very broad area in which to achieve focused improvement

107 The safety improvement theme chosen by the Council to match the local Community Plan themes is a very broad area in which to achieve focused improvement. It covers all matters from food safety, through road safety, to drug and alcohol abuse and anti-social behaviour. Such indicators do not always lend themselves to straightforward measurement of improvement.

108 The Council also set an improvement objective under its safety theme that stated 'we will continue to improve the quality of the child protection services we provide'. The Estyn inspection report, the Estyn and CSSIW investigation, and the CSSIW Annual Review and Evaluation of the Council's social services performance during 2010-11, as summarised earlier in this report, refer to their assessment of whether the Council has met this objective relating to child protection arrangements in education and in social services. The CSSIW reported in its recent Annual Review and Evaluation of the Council's performance during 2010-11 that the Council has made good progress in promoting opportunities for care leavers to achieve economic independence and identifies that its performance now is an area of strength.

The Council's reporting of its performance continues to improve but evaluation of its strengths and weaknesses needs to be more challenging in some areas

- 109 In Welsh local authorities, corporate and service self-assessments are key elements of a number of improvement and assurance frameworks, such as the Wales Programme for Improvement, the Estyn Inspection Framework for Education, the Annual Council Reporting Framework in social services, and the Annual Governance Statements of local authorities. Other self-assessments are required in preparation for regulatory audit and inspections, and at the request of Welsh Government Ministers.
- 110 This section of the report considers how good the Council's self-evaluation of its performance is. Accurate and robust self-evaluation is critical to the Council's ability to:
- recognise the progress it is making;
 - take remedial action when performance is not reaching anticipated levels and desired outcomes are not being achieved; and
 - report on its performance to local citizens in a balanced and evaluative way.
- 111 The Annual Governance Statement was reported for the first time this year (replacing the Statement on Internal Control) and is in line with the expected requirements. In June 2011, the Council approved a Local Code of Corporate Governance, setting out the Council's approach to the six core principles identified in the CIPFA/SOLACE framework: Delivering Good Governance in Local Government. It is against this framework that future Annual Governance Statements will need to be compiled using the core principles as the means of assessing the effectiveness of the Council's arrangements.
- 112 Our audit of the Council's national performance indicators (NSIs) in 2011 confirmed that the Council had put in place adequate systems to produce all the NSIs. There was only one indicator (the percentage of vacant private sector dwellings that were returned to occupation through direct action by the Council) that was reported as unreliable for 2010-11, but arrangements are being put in place to improve the data used to calculate this indicator for future years.
- 113 In line with statutory requirements, the Council published its review of performance in 2010-11 by 31 October 2011 in its Improvement Review report. For reporting purposes the Council has consolidated the original 26 improvement objectives within the eight themes of the Community Strategy, setting them in their strategic context and simplifying the presentation. The review is well written and easy to follow. It includes a clear evaluation of how well the Council thinks it has performed and is generally fair and balanced, highlighting both strong and weaker areas of performance. This evaluation is backed by evidence of the things the Council has done on its own and in partnership with others, the progress it is making towards its longer-term ambitions and the impact this is having in terms of quality standards and performance indicators. A summary is available – although this was not produced until after 31 October. Both the summary and the main review were publicised in the local press. Both documents are available on the Council's website and in hard copy at various customer outlets.

- 114 Performance information is compared with past trends, the targets set and the performance of other authorities in Wales. There are some gaps, where no or only limited evidence is provided, notably in relation to elements of the Environment, Community, and Safety themes. In addition, the evidence base could be stronger in some areas, for example, to make more use of customer feedback, the results of benchmarking and internal and external reviews. But overall, it is clear that the Council has tried to provide a balanced picture of performance and to evaluate this in an honest and transparent way.
- 115 However, the Council, like many other councils, has not been able to report how its actions and improvements have made a difference to the lives of local people due to the information they have chosen to measure and report on. The Council's evidence of progress relies heavily on describing actions and outputs. Few tailored and impact measures of success are in place and there is an over-reliance in the report on existing statutory performance indicators to monitor progress. Although targets are set for all indicators, the Council may wish to consider setting targets that are more meaningful and challenging in some areas. Progress against some longer-term and strategic improvement themes such as Community and Economy are inadequately evaluated, possibly because of the lack of identified milestones and difficulties in defining the Council's contribution to cross-cutting and multi-agency activity.
- 116 Appropriate systems are in place to support future improvement. Performance management arrangements are generally well established. Performance is reviewed formally by senior managers and councillors on a regular basis. The recent entitlement of increasing access to the Council's Ffynnon system will allow councillors to monitor progress on an ongoing basis. A specialist team is in place to support improvement and share learning across the Council. The Council learns from experience and has started to address some identified weaknesses in its approach to improvement planning for example in developing more outcome-based measures of success.
- 117 The Auditor General has determined that the Council has discharged all of its duties in relation to publishing improvement information. However, the Council should ensure that it acts more in accordance with Welsh Government guidance; specifically in:
- making it clearer why comparisons have or have not been made; and
 - further developing the set of measures, including outcome measures, it uses to evidence improvement.
- 118 Estyn's Inspection of the Council's education services for children and young people in August 2011 judged the service's quality improvement as adequate and notes that the Council needs to 'improve the accuracy and rigour of its own evaluations of how well the Council and its partners perform. The Authority has comprehensive self-evaluation arrangements for education. However, the Authority's self-evaluation report does not recognise well enough all of the areas where it underperforms.'

119 It also noted that, 'performance management in the past has not been effective enough in securing improvements in certain key indicators such as the underperformance at key stage 4. The Authority has recently appointed a new education senior management team. They have appropriately focused attention on areas where performance is slow to improve or declining. Working within the new regional framework, the Authority has identified a series of actions to improve services. The actions are appropriately prioritised and have suitable success measures. They have a sharp focus on improving the use of performance data and on improving outcomes. However, it is too early to report the effects of these initiatives on raising standards.'

120 The CSSIW reported in its recent Annual Review and Evaluation of the Council's social services performance during 2010-11 what the Council does well and needs to develop or improve in relation to self evaluation and performance monitoring, as follows:

'What the Local Authority does well:

- Evidence of monitoring of performance and outcomes of service (adults) for example the multi-disciplinary assessment support team data.

What the Local Authority needs to develop/improve:

- Completion of review of quality assurance framework and supervision guidance.'

121 It also noted that: 'Children's services have a performance management framework in place and there is systematic reporting to senior management. The quality assurance framework and supervision guidance are in the process of being reviewed to ensure compliance with Climbie requirements.'

122 The Council has responded well to our proposals for improvement and made significant improvement in a number of areas, although work is ongoing. A summary of the Council's progress against all the proposals for improvement in each of our reports is set out in Appendix 5.

123 Estyn's inspection report in August 2011 noted that 'the Authority has appropriately addressed most of the recommendations from the Estyn inspection report of 2008 on education and youth support services. However, recommendations to ensure more consistent and appropriate challenge to schools and to improve self-assessment have not been effective enough to raise standards.'

124 The CSSIW reported in its recent Annual Review and Evaluation of the Council's social services performance during 2010-11 what the Council does well and needs to develop or improve in relation to progressing action plans and recommendations, as follows:

'What the Local Authority does well:

- Implementation of action plans from previous reviews; (this includes CSSIW's safeguarding review in 2009, and recommendations from a serious case review, and recommendations from an investigation into a complaint carried out by the Public Services Ombudsman for Wales which related to child protection concerns).

What the Local Authority needs to develop/improve:

- Develop an overview of permanency planning and improvement of range and quality of support services for looked after children.
- Monitor the increase in child protection procedures to ensure that timeliness is not further affected by any increase in volume.'

125 The Auditor General's Special Inspection found that whilst the Council displayed some very positive attributes in relation to its culture and operating environment, improvements are needed to ensure that the Council can maintain adequate political and managerial oversight and appropriately hold people to account. There is a need to formalise and strengthen some arrangements rather than to introduce wholesale changes to models of governance and management.

126 The inspection also found that the unintended consequence of the Council's trusting and informal culture is a weakening of accountability, and that the Council's confidence in its governance and management arrangements is not well founded and shows complacency. It is clear to us that the balance between informality and trust on one hand, and adequate assurance mechanisms on the other, has tipped too much in favour of the former.

127 These issues have an impact on the Council's ability to robustly evaluate and publicly report its performance. The Council needs to strengthen its scrutiny arrangements to contribute more effectively to its self-evaluation. We recognise that the Council is taking steps to improve its information sharing arrangements and its public reporting.

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 Auditor General to discharge his duties under section 24 of the Measure. The report also discharges 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 Council's self-assessment of its performance.

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 may also take account of information shared by relevant regulators (under section 33) in his assessments.

Appendix 2

Useful information about Pembrokeshire and Pembrokeshire County Council

The Council

Pembrokeshire County Council spends approximately £337 million per year (2010-11). This equates to about £2,878 per resident. In the same year, the Council also spent £34.8 million on capital items.

The average band D council tax for Pembrokeshire in 2010-11 was £895.47 per year. This has increased by 3.06 per cent to £922.83 per year for 2011-12; 66.2 per cent of the dwellings within Pembrokeshire are in council tax bands A to D.

The Council is made up of 60 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:

- Thirty-nine Independent
- Five Conservatives
- Five Plaid Cymru
- Four Labour
- Six not affiliated
- One vacant seat

The Council's Chief Executive is Bryn Parry-Jones and he is supported by his Management Team as follows:

- Director of Finance and Leisure: Mark Lewis
- Director of Social Services: Jon Skone
- Director of Development: Steven Jones
- Director of Education and Children's Services: Graham Longster
- Director of Transportation and Environment: Ian Westley

Other information

The Assembly Members for Pembrokeshire are:

- Paul Davies, Welsh Conservative (Preseli Pembrokeshire constituency)
- Angela Burns, Welsh Conservative (Carmarthen and South Pembrokeshire constituency)
- Rebecca Evans – Labour (Regional)
- Simon Thomas – Plaid Cymru (Regional)
- Joyce Watson – Labour (Regional)
- William Powell – Welsh Liberal Democrats (Regional)

The Members of Parliament for Pembrokeshire are:

- Stephen Crabb, Preseli Pembrokeshire, Welsh Conservative
- Simon Hart, Carmarthenshire West and South Pembrokeshire, Welsh Conservative

For more information see the Council's own website at www.pembrokeshire.gov.uk or contact the Council at: Pembrokeshire County Council, County Hall, Haverfordwest, Pembrokeshire, SA61 1TP.

Appendix 3

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

As you will be aware the Auditor General for Wales will be issuing an Annual Improvement Report (AIR) to each local authority by the end of January 2012 and some of the issues that were traditionally reported in the Appointed Auditor's Annual Audit Letter will be included in that report. Therefore I have taken the opportunity to summarise the key messages arising from my statutory responsibilities into this short letter which forms the Annual Audit Letter. The letter is designed to be a standalone document, but will also be presented to the Council and the public as part of the AIR and therefore discharges my reporting responsibilities under the Code of Audit Practice.

Pembrokeshire County Council complied with its responsibilities relating to financial reporting, although there are some areas where this can be improved. Further work is on-going to review democratic accountability and governance arrangements, which will be reported in due course.

1 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.

2 The Public Audit (Wales) Act 2004 issued by the Auditor General 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.

3 On 26 September 2011 I issued an unqualified audit opinion on the financial statements confirming that they present a true and fair view of the Council's financial position and transactions. My auditor's report is contained within the Statement of Accounts. A number of matters arising from the financial statements audit were reported to and considered by the Corporate Governance Committee prior to approval of the financial statements and I have issued a detailed report to officers highlighting where further improvements can be made.

4 From 2010-11 local authorities in Wales are required to produce their accounts on the basis of International Financial Reporting Standards. The introduction of these new standards imposed significant additional demands on the Council's finance staff. Despite these additional pressures, I am pleased to report that the accounts were prepared by the statutory deadline.

- 5 My review of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government Measure (2009). The main findings from this latter work will be set in the AIR.
- 6 In addition, as a result of concerns raised in the Estyn and CSSIW reports issued on 11 August 2011, the Auditor General is undertaking a special inspection to consider democratic accountability and governance arrangements. The findings from this work will be reported separately.
- 7 My letter highlights some issues that will need attention in connection with the Council's financial reporting and governance arrangements. In particular:
 - Budgetary control arrangements are effective in supporting the accuracy of the financial statements. However, in the light of increasing financial constraints, budget reporting needs to continue to be developed to show more clearly any significant challenges that the Council will need to address during the year.
 - The Local Government (Wales) Measure 2011 is a substantial piece of legislation and will have a significant impact on governance arrangements for all local government bodies. The Authority will need to review its arrangements to ensure it is able to comply with the statutory requirements as they come into force. One of these will be the establishment of an audit committee, and my engagement team will work with officers, as appropriate, to assist in the development of this requirement.
 - The Annual Governance Statement was reported for the first time this year (replacing the Statement on Internal Control) and is in line with the expected requirements. However, in June 2011, the Council approved a Local Code of Corporate Governance, setting out the Council's approach to the six core principles identified in the CIPFA / SOLACE framework: 'Delivering Good Governance in Local Government'. It is against this framework that future Annual Governance Statements will need to be compiled, and my engagement team will be discussing this further with officers to build on the progress made to date.
- 8 I issued a certificate confirming that the audit of the accounts has been completed on 26 September 2011.
- 9 The financial audit fee for 2010-11 is currently expected to be in line with those set out in the Annual Audit Outline.

Anthony Barrett
Appointed Auditor

Appendix 4

Pembrokeshire County Council's improvement objectives and self-assessment

Pembrokeshire County 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.

Pembrokeshire's Improvement Plan 2010-11 set 26 Improvement Objectives under the eight themes of the Community Strategy for it to achieve during that year. For 2011-12 the Council has reduced this to eight objectives reflecting the eight themes of the Community Strategy for delivery during this year. The objectives from both last year and this year are as follows:

The Council's Improvement Objectives for 2010-11	The Council's Improvement Objectives for 2011-12
WELLBEING	1 We will take action to support independent and healthy living.
1 We will work with partners to address the underlying causes of poor health.	2 We will reduce our carbon footprint and operate more sustainably.
2 We will promote public health and opportunities for healthy living.	3 We will work with our partners to improve Pembrokeshire's economy.
3 We will work with partners to mitigate the impact of poverty.	4 We will support the development of vibrant and sustainable communities.
4 We will support projects that will improve the integration of health and social care services.	5 We will support the development of appropriate housing in Pembrokeshire.
5 We will continue to improve the quality of the social care services that we provide.	6 We will continue to develop the high quality education services we provide.
ENVIRONMENT	7 We will work with our partners to improve communication links to and within Pembrokeshire.
6 We will work with partners to mitigate the impact of climate change.	8 We will work with our partners to ensure Pembrokeshire remains a safe place.
7 We will continue to improve our waste management and recycling services.	
8 We will work to enhance our natural environment and maintain our cultural and historic distinctiveness.	

The Council's Improvement Objectives for 2010-11	
ECONOMY	
9	We will work with partners to improve Pembrokeshire's potential for wealth creation.
10	We will continue to improve our town centres.
11	We will support local business.
COMMUNITY	
12	We will support the development of vibrant and sustainable communities.
13	We will promote community cohesion.
HOUSING	
14	We will support projects that increase the supply of appropriate housing.
15	We will continue to improve the quality of the Council's housing stock.
LEARNING	
16	We will support projects that improve skill levels in Pembrokeshire.
17	We will continue to improve the quality of the education services we provide.
18	We will address inequalities in educational attainment.

The Council's Improvement Objectives for 2010-11	
ACCESS	
19	We will work to improve communication links to, from and within Pembrokeshire.
20	We will continue to improve access to the services we provide.
21	We will promote sustainable travel.
22	We will improve access to green spaces.
SAFETY	
23	We will support projects that reduce fear of crime.
24	We will work with partners to address the underlying causes of crime and antisocial behaviour.
25	We will continue to improve the quality of the child protection services we provide.
26	We will support projects that improve road and home safety.

The Council published its improvement objectives in its Improvement Plan which can be found on the Council's website at:

http://www.pembrokeshire.gov.uk/content.asp?nav=101,1566&parent_directory_id=646

Pembrokeshire County Council's self-assessment of performance

The Council's self-assessment of its performance during 2010-11 was published by 31 October 2011 and can be found in its *Improvement Review 2010-2011* which can be found on the Council's website:

<http://www.pembrokeshire.gov.uk/content.asp?id=19362>

Appendix 5

Summary of Pembrokeshire County Council's progress against the Wales Audit Office's proposals for improvement

Proposals for improvement	Summary of Council progress	Wales Audit Office's action
Include more explicit links between improvement objectives, service actions, performance measures and outcomes in the Council's Improvement Plan.	The Council has structured the 2011-12 Improvement Plan differently so that detailed outcomes, service goals and service actions are more clearly linked.	The Wales Audit Office will review the Improvement Plan 2012-13 in line with legislation and guidance.
Publish more measures in its future improvement plans than it included in this year's Improvement Plan, as it has done in its Improvement Review, to give the public a balanced picture of its performance.	The Council has increased the number of measures in the 2011-12 Plan considerably compared with the 2010-11 version. The Council has included local indicators as have some outcome measures; the Plan contains 86 indicators in total. The Council is continuing to identify further outcome measures for the future.	The Wales Audit Office will review the Improvement Plan 2012-13 in line with legislation and guidance.
Consider whether it needs to review, prioritise, and reduce the number of improvement objectives in light of the financial climate.	The Council has reduced the number of improvement objectives from 26 to 8. This provides a clearer focus on what is important in the context of increasing budgetary constraints.	No further action.
In future improvement reviews: set out more clearly how equalities and sustainability issues are being addressed, and link more clearly and prominently the Council's achievements with its areas for improvement and outcomes.	The 2011-12 Improvement Review Plan contains specific paragraphs on sustainability and equalities issues.	The Wales Audit Office will review the Improvement Plan 2012-13 in line with legislation and guidance.
Ensure that relevant success measures are in place for all improvement objectives and that targets are sufficiently challenging within the context of available resources and public aspirations.	The Council continues to develop its approach in this area.	The Wales Audit Office will review the Improvement Plan 2012-13 in line with legislation and guidance.

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