



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

# Annual Improvement Report

## Powys 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 Colin Davies, Justine Morgan and colleagues under the direction of Jane Holownia 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 relevant Welsh inspectorates, this report presents a picture of improvement over the last year. The report is in three main sections, which cover the planning, delivery and evaluation of improvement by Powys County Council (the Council).
- 2 The Council has set itself the vision of achieving 'Efficient Services for the Green Heart of Wales'. In addition to its statutory duties, it has five improvement objectives which are:
  - Care and Wellbeing – to work with partners to provide seamless, high quality services through better models of care which will build on the independence and resilience of individuals, families and communities and that are more efficient and sustainable.
  - Learning and Community – to reduce costs by managing community assets to provide multiple local services. To reconfigure schools provisions to match places to students and ensure schools are financially viable and fit for purpose.
  - Regeneration – to improve the economic wellbeing of the citizens of Powys through using council resources and influence to stimulate regeneration activity.
  - Climate Change – to help to protect and improve the environment by increasing recycling rates; reducing the amount of gasses that are harmful to the environment and ensure that the public of Powys are safe from the more extreme impacts of climate change e.g. increased risk of flooding.
- 3 We found that the Council is making good progress in developing its plans and programmes, but insufficient staff capacity and capability is a significant risk to the successful delivery of its improvement objectives. Although the Council is well placed to address its financial challenges, significant issues remain to be addressed if it is to drive the pace at which its improvement plans are delivered and their intended outcomes achieved.
- 4 We also found that the Council is performing inconsistently in priority areas and it has yet to demonstrate sustained improvement. We based this conclusion on the following:
  - Council – people in Powys benefit from a financially balanced and fit-for-purpose council.
  - The Council is delivering services for adults that are unlikely to consistently meet the needs of eligible people, and the arrangements in place are unlikely to secure either the scale or the pace of improvement that is needed. Although services for adults are often highly valued by service users, there are weaknesses in the Council's approach to commissioning, assessment and care management and accountability for the operational delivery of services is unclear.

- While overall education performance is inconsistent, education services for children and young people are adequate. Standards are generally good and elected members of the Council have taken difficult decisions to address surplus school places. However, too many schools are in a category of causing concern to Estyn and a number of schools are not managing their budgets effectively.
  - The Council's waste collection and recycling rates have declined over the last three years. However, following the introduction of new and improved recycling and rubbish collections in Ystradgynlais and Rhayader, there are some encouraging signs that the Council can achieve a higher recycling rate and reduce costs.
- 5 Finally, the report sets out our views on the Council's own assessment of its performance and arrangements. We concluded that the Council lacks a culture that promotes an appropriately open and balanced assessment of its performance and has yet to effectively evaluate how well it is delivering its improvement objectives. The Council's performance assessment tends to focus only on positive achievements, and is overly reliant upon data which reports what the Council does, at the expense of data which demonstrates the difference the Council is making in terms of outcomes. The Council's Cabinet and scrutiny arrangements are not yet effective enough to facilitate robust challenge of service performance.

# Recommendations and proposals for improvement

- 6 The Auditor General has identified three recommendations for improvement for the Council under section 19 of the Local Government (Wales) Measure 2009 (the Measure), and these are set out below. The Council must formally respond to statutory recommendations within 30 working days.

## Recommendations

**R1** The Council should establish more rigour and consistency in its arrangements to profile Human Resource (HR) requirements to ensure that it has sufficient capacity and capability to deliver its improvement objectives.\*

**R2 Adult Services operational improvement plan**

The service should, with the support of the Programme Office, design and implement an Adult Services operational improvement plan that:

- critically assesses and robustly evaluates current performance;
- identifies priorities for improving operational service delivery, linking these with strategic improvement priorities;
- identifies and evaluates the risks to delivering improvement and sets out how they are to be mitigated;
- sets out the actions to be taken, allocates responsibility for those actions, and details the deadlines and key milestones to be met in their completion;
- identifies the resources, financial and people (skills and capacity), required to deliver the improvement actions and how those resources are to be sourced;
- identifies the measures to be used to monitor and evaluate service improvement in the identified priority areas; and
- sets clear and unambiguous improvement targets for those measures.

**R3 Arrangements for monitoring Adult Services improvement**

The Council should design and implement approval and monitoring arrangements at service, corporate and political levels to ensure that:

- the Adult Services operational improvement plan meets each of the requirements set out in R2, and that the scale and pace of planned improvement are both appropriately stretching and deliverable with the resources made available; and
- those responsible for improvement actions are regularly held to account for their performance, so that any deviation from planned improvement (in relation to actions/measures/targets/milestones) is identified and rectified quickly.

\*This recommendation was first made to the Council in August 2011.

7 In addition to the specific recommendations above, the following proposals for improvement are made to the Council to support improvement.

Proposals for improvement	
<b>P1</b>	Review the terminology of improvement objectives and activities, and selected measures of success to ensure that they are both clearly expressed and capable of allowing local citizens to monitor the difference the Council is making to their lives.*
<b>P2</b>	Develop a more co-ordinated corporate approach to public engagement to improve the extent to which engagement activity is consistently implemented and evaluated to ensure it is effective in improving services and outcomes for citizens.*
<b>P3</b>	The leadership of the Council, political and managerial, should promote and secure a culture which requires an appropriately open and balanced self-assessment of corporate and service performance, and is more evaluative and realistic regarding the Council's progress in delivering its improvement objectives.
<b>P4</b>	In assessing and reporting Council performance, ensure that there is sufficient appropriate data which demonstrates not only what and how much the Council does, but also the difference the Council is making in terms of outcomes for its citizens. Review the timing, audience and content of progress and performance reports to facilitate better informed decision making and robust challenge of service performance.
<b>P5</b>	In rolling out new methods of collecting recyclable wastes and refuse across the county, the Council needs to scrutinise and challenge performance to ensure that these actions have the desired impacts of achieving the increasingly challenging recycling targets and of reducing the cost of waste services.
<b>P6</b>	Implement arrangements to ensure that contracts issued to third parties that provide a service on the Council's behalf are robustly monitored, with appropriate quality assurance in place to: <ul style="list-style-type: none"> <li>• manage and mitigate risks;</li> <li>• evaluate the impact of the services; and</li> <li>• assess their value for money.</li> </ul> <p>These arrangements should also ensure compliance with the <i>Welsh Language Scheme</i>.</p>

\*These proposals were first made to the Council in August 2011.

# Detailed report





## Introduction

- 8 This report was prepared by the Wales Audit Office on behalf of the Auditor General for Wales. On [page 2](#) you can find a brief explanation of what the Auditor General does. The report sets out the Auditor General's view of the performance of the Council in discharging its statutory duty to make arrangements to secure continuous improvement. This view has been informed by the work of the Wales Audit Office, Estyn, the Care and Social Services Inspectorate Wales (CSSIW) and the Welsh Language Board.
- 9 Under 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 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.
- 10 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.
- 11 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.

## The Council is making good progress in developing its plans and programmes, but insufficient staff capacity and capability is a significant risk to the successful delivery of its improvement objectives

- 12 This section comments on the Council's planning and arrangements for delivering improvement, and covers:
- the Council's arrangements to secure continuous improvement;
  - previous findings by the Auditor General on the arrangements for improvement;
  - people management arrangements;
  - the use of resources and arrangements to address the financial challenges faced by all councils;
  - how the Council engages with the public and local communities; and
  - the Council's arrangements to support the Welsh language.
- 13 We do not undertake a comprehensive annual review of all council arrangements or services. Our work has focused on the main objectives that the Council has set itself and builds upon earlier audit feedback and reports issued to the Council. The conclusions in this report are based on our cumulative and shared knowledge and the findings of the work undertaken this year.
- 14 The Council approved a new council vision 'Efficient Services for the Green Heart of Wales' in February 2010, to be delivered through a strategic change model. The Council's *Corporate Improvement Plan 2010-2014*, also known as the *Powys Change Plan*, was developed around four improvement priorities (concerned with service delivery) and six efficiency priorities (concerned with achieving financial savings and developing the organisation's capacity).
- 15 In 2011, the Council refined its plans by reviewing and prioritising the projects supporting each of its improvement objectives. Accordingly, in June 2011, the Council published five improvement objectives in its *Powys Change Plan 2011-2014* which are:
- Care and Wellbeing – to work with partners to provide seamless, high quality services through better models of care which will build on the independence and resilience of individuals, families and communities and that are more efficient and sustainable.
  - Learning and Community – to reduce costs by managing community assets to provide multiple local services. To reconfigure schools provisions to match places to students and ensure schools are financially viable and fit for purpose.
  - Regeneration – to improve the economic wellbeing of the citizens of Powys through using council resources and influence to stimulate regeneration activity.
  - Climate Change – to help protect and improve the environment by increasing recycling rates; reducing the amount of gasses that are harmful to the environment and ensure that the public of Powys are safe from the more extreme impacts of climate change e.g. increased risk of flooding.
  - Council – to work as one council, constantly challenging what is delivered and how it is delivered to improve quality and reduce cost.

## The Council is continuing to develop its planning and arrangements to deliver improvement

- 16 The Council's improvement objectives and its improvement plan (called *Powys Change Plan 2011-2014*) meet the requirements of the Measure and the guidance issued by the Welsh Government.
  - 17 The Council has explained in this plan the basis for selecting five improvement objectives for 2011-14, together with how the improvement plan fits in with other strategies and plans including the *Powys Community Strategy*. In deciding what to focus on, the Council built on its already good understanding of local needs developed through an assessment undertaken jointly by the Council and its key partners through the Powys Local Service Board. Consultation included a residents' satisfaction survey and engagement with citizens of Powys on the Council's budget and priorities for 2011-12. The improvement plan sets out what the Council wants to achieve and what it will do next. It contains action plans (called sub-programmes) for each improvement priority which describe the activities to be undertaken and explain how progress will be monitored by identified success measures. Targets and milestones are included. The improvement plan also includes an appropriate description of the arrangements the Council has in place to discharge its statutory duty to secure improvement across the range of its functions.
  - 18 From a citizens' perspective, greater clarity in the terminology used by the Council in some of its improvement objectives to describe the outcomes that the Council wants to achieve would help ensure that key messages are clearly conveyed and understood. For example, the Care and Wellbeing improvement objective requires examination of somewhat technical sub-programmes to get an understanding of what the Council means by 'better models of care.' Also, the *Regeneration Sub-programme* is particularly narrow in its focus. Activities are largely about preparing plans and strategies and it is not clear what the Council will do differently to meet its stated aim of improving the 'economic and social wellbeing of the citizens of Powys', nor the difference it will make to them.
  - 19 The improvement plan has been published within the timeframe set by the Welsh Government. It is available in electronic format on the Council's website and has been publicised through the local media and the Council's newsletter for residents, *Red Kite*.
- Insufficient staff capacity and capability is a significant risk to the successful delivery of the improvement objectives that the Council has set for itself**
- 20 In August 2011, the Auditor General issued a *Corporate Assessment Update* letter to the Council. The letter commented on developments since the previous reports and the Auditor General confirmed that he was satisfied that the Council was discharging its duties under the Measure and was likely to comply with its minimum requirements during

this financial year. However, he concluded that 'insufficient staff capacity and capability is a significant risk to the successful delivery of the improvement objectives that the Council has set for itself.' This assessment was based on our findings that the Council was:

- making substantial progress on developing its detailed plans and programmes, but significant challenges remained to be addressed if it is to be successful in driving the pace of their delivery and in delivering its intended outcomes;
- beginning to develop its people management arrangements but progress had been slower than intended and insufficient staff capacity and capability was a significant risk to the successful delivery of its improvement objectives;
- well placed to address its financial challenges through its medium-term financial planning and budget setting process, and making reasonable progress in aligning financial and service planning to support the achievement of its improvement objectives; and
- developing the way it engages with the public and recognised that it needed to improve current arrangements in order to enable citizens to help shape future services in local communities.

**The Council is making substantial progress on developing its detailed plans and programmes, but significant challenges remain to be addressed if it is to be successful in driving the pace of their delivery and in delivering its intended outcomes**

- 21 Our *Preliminary Corporate Assessment*, published in July 2010, said 'the Council's commitment to move from traditional departmental delivery, which has struggled to deliver its priorities, to a more ambitious, cross-cutting and consensual approach has potential to deliver improvement provided effective supporting arrangements are developed promptly'.
- 22 Our January 2011 *Annual Improvement Report* said the Council 'has yet to develop its detailed plans and programmes to a stage where they are capable of demonstrating that the Council is clear on what it needs to do to deliver its improvement objectives, and whether it can afford to do so'.
- 23 The Council's leadership prioritised a fundamental review of its *Powys Change Plan 2010-2014* and assigned significant Council resources to this work supplemented with project management and facilitation expertise which it sourced externally. The review concluded that the Council had 205 identified projects, 70 per cent of which it was attempting to deliver simultaneously. The programme at this scale could not be managed or resourced effectively. The Council selected a total of 36 projects for delivery under Phase 1 of *Powys Change Plan 2011-2014*. A further 35 projects have been identified and scoped, and are being approved subject to having robust financial

and resource plans in place. The Council now has a more robust and better developed *Powys Change Plan 2011-2014* which more clearly identifies its priorities, and how it intends to deliver them.

- 24 The Council has identified that it faces a number of challenges, including weaknesses in project and programme management (resource planning in particular) and a lack of corporate ownership of performance management across the Council. In response to these challenges, the Council is changing its management structure and governance arrangements in order to provide greater accountability and target resources more efficiently. Key changes include:
- creation of a Programme Office team led by the Head of ICT and Customer Services responsible for the production and management of the change plan;
  - rationalisation of performance management across the Council with the Head of the Business Performance Unit taking lead responsibility overseen by the Strategic Director – Finance and Infrastructure;
  - Communications team transferred to HR Service to fit more closely with organisational development and work on the change plan;
  - Head of ICT and Customer Services and Head of HR to report to Chief Executive and join the Corporate Management Team; and
  - redesign of its governance arrangements to better support the commissioning and delivery of its change plan.
- 25 These changes are recent, and it is too early to evaluate the extent to which they help the Council in addressing the challenges it has identified. We will continue to monitor progress in these areas.
- 26 The Council has identified that it needs to work collaboratively with key partners in order to deliver many of its improvement objectives. However, it has not yet established robust and effective arrangements to allow partners, such as those in the voluntary sector, to fully engage with its strategic vision for the future under the *Powys Change Plan*. For example, in Adult Services, the Council has a three-year strategy that identifies the third sector as a key provider of care and support services. The Council's improvement objective envisages that the Council will secure substantial efficiency savings in this way. Yet, there is little evidence that this strategic vision has been discussed more widely than within the Council, between Adult Services and Finance. This lack of engagement with future strategic partners means that they are not well placed to respond in a timely fashion to the emerging demands of the Council. This could have a negative impact on the Council's ability to meet and deliver against its key improvement objectives for Care and Wellbeing.
- 27 However, it is reassuring to report that the collaboration with the Powys Teaching Health Board is developing further and the agreement to have common strategic objectives under the *Powys Change Plan* is very positive. This development should help provide more focused and aligned use of resources which should have a positive impact for citizens of Powys.

28 The Council has also recently approved and signed a compact with the Welsh Government around the new collaborative framework between local, regional and national government; a framework for action in relation to sustainable social services and development of a Regional School Improvement Service in relation to school standards. It is positive that the Council has recognised the importance of collaboration in delivering its services and is beginning to position itself well in relation to this agenda.

**The Council is beginning to develop its people management arrangements but progress has been slower than intended and insufficient staff capacity and capability is a significant risk to the successful delivery of its improvement objectives**

29 We previously reported that the Council had not yet put in place plans to ensure it has the necessary staff capacity and capability to deliver its improvement agenda. Progress in many areas has been slower than intended. These areas include leadership and management development, a new appraisal system and service-specific workforce plans. The Council has recognised the importance of addressing these and other areas by identifying the need 'to deliver the capacity and capability required' as a specific objective of its *Workforce Transformation Sub-programme* within the *Powys Change Plan, 2011-2014*.

30 Cabinet approved the adoption of the Council's workforce strategy for the 2011-2015 period on 14 June 2011. This initial strategy identifies pressures on the future workforce including a need to reduce the size of the workforce due to fiscal pressures, an

ageing workforce profile and challenges presented by greater collaborative working. However, the strategy itself does not present the solutions to these pressures.

31 The Council has so far prioritised the following projects as part of its *Workforce Transformation Sub-programme*:

- voluntary severance scheme;
- job evaluation;
- member development; and
- leadership and management development.

However, the Council recognises that this sub-programme is not yet sufficiently designed to address all of the significant workforce challenges it faces. Furthermore, the limited available resources in terms of finance and HR capacity have been identified as a risk to the delivery of the Leadership and Management development framework.

32 This risk is by no means restricted to the *Workforce Transformation Sub-programme*. The Council has identified that understating resource requirements and/or a resource/skills deficit within other sub-programmes is a significant risk to the successful delivery of its improvement objectives for the following reasons:

- managers assuming projects will be delivered by operational staff who may not have the time/capability to deliver projects;
- lack of adherence to formal guidance on project resourcing; and
- difficulty in estimating project resource requirements through lack of project management knowledge and/or experience.

33 The Council recognises that it has skills and resource gaps to address if it is to deliver its improvement objectives, indeed some have already been identified through its review of the *Powys Change Plan*. For its Phase 1 projects, the Council is identifying the skills and levels of resource required, and exploring opportunities to second staff from within the Council or secure external resource as justified by the project business case. In the short to medium term, the Council's ability to effectively match available skills and resources to business need will require it to develop robust workforce planning data across all service areas. This activity has yet to be planned and resourced.

**The Council is well placed to address its financial challenges through its medium-term financial planning and budget setting process, and making progress in aligning financial and service planning to support the achievement of its improvement objectives**

34 As part of its budget setting process for 2011-12, the Council reported its *Medium Term Financial Plan* (MTFP) for 2011-2015. The Council approved this four-year plan which identifies required revenue savings and/or efficiencies of approximately £12 million. The MTFP sets out how capital expenditure will be funded over the period and its effects on revenue budgets, thus ensuring that these effects are appropriately reflected in the estimation of the efficiencies required. The MTFP documents the assumptions made in arriving at the overall figures, and acknowledges that the plan needs to be flexible enough to reflect changes to these assumptions over the period.

35 We have reported previously that the MTFP is not clearly linked to either the individual service plans for financial efficiencies or the overall strategic *Powys Change Plan*. Work is ongoing in this area to ensure that the strategic priorities set out in the *Powys Change Plan* are supported by robust, costed and deliverable sub-programmes and service strategies, which in turn inform the MTFP. We are encouraged by the progress the Council is making to ensure that the MTFP becomes embedded within its financial management and performance framework, and supports the achievement of its strategic objectives and priorities. We will continue to monitor the Council's progress in this area.

36 The auditor appointed by the Auditor General recently gave his opinion on the Council's accounts and concluded that the financial statements were generally satisfactory. [Appendix 3](#) gives more detail.

**The Council is developing the way it engages with the public and recognises that it needs to improve current arrangements in order to enable citizens to help shape future services in local communities**

37 The Council considers engagement with the public to be an important priority. Accordingly, it has assigned senior members and officers to support its engagement activity and is helping appropriate staff to further develop the skills necessary to plan and engage effectively with the public. The Council acknowledges that it needs to do more to ensure that its service delivery is citizen-focused and maximise the opportunities for effective engagement through partnership working. It has identified key actions to make progress which include involving communities

more in the design of public services and developing a new communications and engagement strategy.

- 38 There are a number of examples of effective public engagement and communication projects which demonstrate the Council's commitment to engaging with its citizens. These include: the engagement through the Builth Project; the Youth Forum; and consultation on Council priorities and budget. The Council has learned lessons from its engagement and consultation and identified where better planning of its activities could have improved the benefits and outcomes they achieved. Useful engagement and consultation information is collected, but its analysis and measurement could be improved.
- 39 Moving forward, the Council aims to develop a more co-ordinated corporate approach to public engagement by:
- better aligning organisational and community engagement and consultation through the *One Powys* approach, and removing unnecessary duplication between partners;
  - adopting a corporate framework to improve and standardise the quality of public engagement techniques throughout the Council;
  - enhancing its public engagement and consultation web-based information; and
  - improving the evaluation of its engagement and consultation data, for example by monitoring satisfaction with Council services to help identify areas for improvement.

- 40 Successful implementation of these actions should help the Council to improve the extent to which engagement activity is consistently implemented, and to evaluate whether it is effective in improving services and outcomes for citizens. We will continue to monitor the Council's progress in this area.

**The Council has been praised by the Welsh Language Board for improving its ability to provide services through the medium of Welsh but further work is necessary to ensure that contracted-out services comply with the Welsh Language Scheme and that the needs of young Welsh speakers are met**

- 41 The Welsh Language Board has praised the Council for introducing an online recruitment system that allows the public to access information and apply for jobs in Welsh. The Council has adopted a *Welsh Language Improvement Plan* to identify and fill any existing gaps in the Council's ability to provide services through the medium of Welsh.
- 42 The Welsh Language Board concluded that further work is required by the Council to ensure that contracts issued to third parties that provide a service on the Council's behalf comply with the *Welsh Language Scheme*.
- 43 The cessation of the Welsh Language Reference Group means that there is no longer a forum for discussing the Welsh language provision of the Children & Young People's Partnership. The partnership must now find alternative means of ensuring consideration of the needs of young Welsh speakers.



## The Council is performing inconsistently in priority areas and it has yet to demonstrate sustained improvement

44 This part of the report sets out how well we think the Council is improving its services. Our conclusions are informed by the work that we have done this year in reviewing the Council's performance and progress towards achieving its improvement objectives. We reflect the views of the CSSIW in relation to the Council's services for adults, and those of Estyn in relation to education services.

**The Council is delivering services for adults that are unlikely to consistently meet the needs of eligible people, and the arrangements in place are unlikely to secure either the scale or the pace of improvement that is needed**

45 This part of the report sets out how well the Council is improving the way in which it supports people in need. This year, we carried out a review in collaboration with the CSSIW to assess whether the Council's Adult Services department is delivering value-for-money services that meet both the needs of eligible people and its statutory responsibilities.

46 Management changes at a senior level within the Council's Social Services department have been ongoing and temporary appointments had been in place for some time for both the Director of Social Services and Head of Adult Services posts.

47 The former Director of Social Services retired in December 2009 and, as part of developing an integrated approach to management and service delivery with Powys Teaching Health Board, the Council agreed to combine the post of the Health Board's Chief Executive

and the Council's Strategic Director for Care and Wellbeing for a nine-month trial period. Unfortunately the recruitment process identified a number of conflicting tensions between the requirements of the two roles and as a result no appointment was made.

48 On 23 February 2011 and 1 March 2011 respectively, Ceredigion County Council and the Board of Powys County Council resolved that a feasibility study be undertaken to explore the possibility of developing joint working arrangements between their social services. Accordingly, the Director of Social Services at Ceredigion County Council took up the post of Strategic Director – Care and Wellbeing (including Director of Social Services) at Powys County Council on 1 April 2011. This role has included taking the lead on the feasibility study. This means that Powys and Ceredigion are currently sharing a director on a 50:50 basis, and the post is governed by a secondment agreement signed by the two authorities which is due to expire at the end of January 2012.

49 The feasibility study is now complete and concludes that Ceredigion and Powys could gain significant advantage from designing and delivering elements of their social care functions on a regional basis under a single management team. Members accepted the recommendations of the study report and, at the Council meeting on 8 December 2011, took the decision to commission design work and pilot implementation.

50 In April 2011, the Head of Adult Services returned to her substantive post following a two-year secondment working with Powys Teaching Health Board.

- 51 We reported in our *Annual Improvement Report* to the Council in January 2011 that there is a longstanding need to modernise the Council's Adult Services and improve its strategic development. Our report identified that responsibilities and accountabilities for strategic development are not clearly set out and there is no effective change management plan or commissioning and procurement plan for modernising Adult Services.
- 52 The role of the CSSIW is to make professional assessments and judgements about social care, early years and social services and so encourage improvement by the service providers. Each year, the CSSIW undertakes and reports its *Review and Evaluation of Performance* of social services delivered by the Council. The CSSIW's 2009-10 report highlighted that assessment and care management functions remain a cause for concern, and that identified weaknesses would require robust leadership and sustained focus if the people of Powys are to benefit from a modern coherent range of services. Subsequently the CSSIW's 2010-11 *Review and Evaluation of Performance*<sup>1</sup> (which is summarised in [Appendix 5](#)) concludes that little change, to improve the experience for service users, has been evidenced and the Council appears to be no closer to putting in place the commissioning and procurement strategies needed to expand access to, and develop a broader range of, quality services.
- 53 The Council acknowledges that its services for adults have not progressed 'at a pace that has kept up with developments elsewhere'. On 23 August 2011, Cabinet approved investment of £290,000 in 2011-12 to enable the Council to achieve targets set out in its *Adult Living Programme*, an improvement priority in its *Powys Change Plan*. The report to Cabinet stated that: 'it is clear from our regulators that we need to make radical changes now following a number of previous joint reviews and inspections, and we need to do this quickly'.
- 54 At the same meeting, Cabinet approved a transfer of £500,000 from reserve funds held in Adult Social Care to secure additional resources and capacity (albeit on a temporary basis) to address issues identified by internal audits carried out over the last two years. These audits identified a number of risk areas around assessment of need and financial regulation. The internal audit report, written in the winter of 2010, made a number of recommendations requiring 'radical change to begin to tackle the issues' which related to Adult Services delivery and to the quality of assessments. The report identifies 'a backlog of work which needs to be done on reviews, system checks and cleansing, and contracts and commissioning monitoring, whilst delivering a safe service'. Although Cabinet duly approved the transfer of funds, it will take some time for the Council to recruit all of the additional resources it has identified that it needs.
- 55 In September 2011, we carried out a review in collaboration with the CSSIW to assess whether the Council's Adult Services department is delivering value-for-money services that meet both the needs of eligible people and its statutory responsibilities. In order to answer the overall question, we

<sup>1</sup> The full report can be found on the CSSIW's website at [www.cssiw.org.uk](http://www.cssiw.org.uk).

considered two questions: 'how good are the services for adults?' and 'is the service well placed to sustain and improve performance?'

- 56 Our review of Adult Services concluded that the Council is delivering services for adults that are unlikely to consistently meet the needs of eligible people, and the arrangements currently in place are unlikely to secure either the scale or the pace of improvement that is needed. We reached this conclusion because we found that:
- although services for adults are often highly valued by service users, weaknesses in the Council's approach to commissioning, assessment and care management mean that services for adults are unlikely to consistently meet the needs of eligible people; and
  - while the Council's strategic priorities for Care and Wellbeing are becoming increasingly clear, responsibilities and accountabilities for the operational delivery of services for adults are unclear and this, compounded by weaknesses in financial and performance management arrangements, means that the service is unlikely to improve performance.
- 57 These findings are outlined in further detail in [Exhibits 1 and 2](#).
- 58 We have identified two recommendations for improvement for the Council under section 19 of the Measure. These are set out on [page 6](#) and the Council must respond to our statutory recommendations within 30 working days from receipt of this report.

#### Exhibit 1: How good are the services for adults?

**Although services for adults are often highly valued by service users, weaknesses in the Council's approach to commissioning, assessment and care management mean that services for adults are unlikely to consistently meet the needs of eligible people**

Weaknesses in arrangements for the strategic commissioning and procurement of services for adults, and for monitoring their delivery, mean that citizens are unlikely to consistently have access to the range and quality of services they need. The quality of the Council's engagement with key service providers is unlikely to support service development.

Limited staff capacity and weak operational management arrangements mean that the Council has still to address identified weaknesses in the timeliness and quality of its assessment and care management of adults eligible for, and in need of, its services.

Exhibit 2: Is the service well placed to sustain and improve performance?

<p><b>While the Council’s strategic priorities for Care and Wellbeing are becoming increasingly clear, responsibilities and accountabilities for the operational delivery of services for adults are unclear and this, compounded by weaknesses in financial and performance management arrangements, means that the service is unlikely to improve performance</b></p>
<p>The continuing development of the <i>Powys Change Plan</i> and its associated governance arrangements has helped the Council to clarify its priorities in relation to its <i>Care and Wellbeing Sub-programme</i>.</p>
<p>Fragmented service leadership over time has contributed to a lack of clarity and focus around operational responsibility and accountability. This adversely affects the Council’s ability to drive the service improvements it needs to achieve.</p>
<p>There are weaknesses and tensions in some of the systems and support arrangements, particularly in relation to ownership of financial and performance data and accountability for improvement, that hamper their effective use in driving improvement and evidencing value for money.</p>
<p>There is an urgent need, at least in the short term, for corporate and political scrutiny and monitoring to ensure improvement in the operational delivery of Adult Social Services.</p>

**While overall education performance is inconsistent, education services for children and young people are adequate**

- 59 This part of the report sets out how well the Council is improving the way in which it helps people to develop. The above conclusion and the following paragraphs that underpin that conclusion represent the views of Estyn, the education and training inspectorate for Wales.
- 60 When a range of contextual information is taken into account, the performance of pupils in Powys is below average in key stages 1 and 2, and slightly above average in key stage 3. At key stage 4 performance is below average overall with too many schools in the

bottom 25 per cent when compared to similar schools across Wales. Only the level 1 threshold is above average.

- 61 Performance in key stages 3 and 4, based on entitlement to free school meals, has met or exceeded all except one of the expected benchmarks set by the Welsh Government in the four years up to 2010.
- 62 Attendance in secondary schools has declined in 2011 and is now below the average for Wales. Attendance in primary schools has remained static. The number of exclusions from schools is good in comparison with the rest of Wales, but the number of days that pupils lose from school because of exclusions remains high.

63 The Council was inspected by Estyn in March 2011. This inspection was based on standards of performance in 2010. Estyn inspectors judged that the Council's education services for children and young people are adequate because:

- standards are generally good;
- standards of wellbeing and engagement of young people are good; and
- elected members have taken difficult decisions recently regarding school closures and restructuring the Council's decision-making and scrutiny processes.

However:

- the Council does not yet undertake quality assurance and evaluation well enough to benefit individual and groups of learners;
- too many schools are in a category of causing concern to Estyn and too many schools have high deficit budgets;
- the Council has been too slow in using its full range of powers to intervene to improve schools and/or their leadership teams and governing bodies;
- elected members do not place enough emphasis on standards and too often put local concerns before the wider interests of learners; and
- the decision-making and scrutiny processes are not effective enough.

64 Inspectors judged that the Council has adequate prospects for improvement because:

- there is strong commitment to joint working across public services in Powys.

However:

- the Council's track record in securing improvement in schools has been disappointing.

65 The Council has responded to the findings of the inspection by developing a comprehensive action plan, and Estyn will be reviewing the Council's progress in implementing it. For our part, Estyn's inspection findings regarding too many schools having high deficit budgets, and the Council's scrutiny/intervention processes not being effective enough are consistent with findings from areas of our own work. We will continue to monitor the Council's progress in relation to these matters.

**Although the Council's waste collection and recycling rates have declined over the last three years, there are some encouraging signs that the Council can achieve a higher recycling rate and reduce costs**

66 This part of the report sets out how well the Council is improving the way in which it creates and maintains the area as a safe, prosperous and pleasant place. This year, our work has focused on evaluating how well the Council is performing on collecting and recycling its municipal waste.

67 Waste management and recycling present a challenge for all councils because targets from the Welsh Government and the EU are becoming progressively more demanding, and carry significant financial penalties.

- 68 The Council had a good waste recycling rate until 2007-08 but this has since declined whilst most other local authorities have achieved an increase of between 10 and 15 percentage points.
- 69 In 2007-08, Powys achieved a recycling rate of 41.2 per cent. This was good performance, ranked second of the 22 councils in Wales, and was well above the all-Wales average of 31.8 per cent. By 2010-11, the Council's recycling rate had fallen to 36.6 per cent, well below the all-Wales average of 43.6 per cent and ranked twentieth. The Council also failed to meet the 40 per cent recycling target for 2009-10 as set by the Welsh Government, achieving just 38.8 per cent. The size and rural nature of Powys may contribute to the Council having higher-than-average costs for providing some of its main waste services in comparison with other local authorities.
- 70 Climate change is one of the Council's four improvement priorities. The improvement priority is explicit about some aspects of waste management and recycling, particularly collection and treatment of waste, and also addresses reducing the Council's carbon footprint through improved management of facilities and services and fleet operations.
- 71 Key waste management achievements reported by the Council in 2010-11 include the roll out of new recycling and rubbish collections in Ystradgynlais and Rhayader. The Council states that its introduction of the improved weekly recycling collections, including food waste, and fortnightly rubbish collections has helped residents and the Council reduce the amount of waste unnecessarily sent to landfill, increase the amount of materials recycled and minimise future costs. The Council assesses that its new recycling and waste collection service boosted both town's kerbside recycling rate from 17 to 40 per cent and, in Ystradgynlais, has raised the amount of recycling being collected from a weekly average of 10.6 tonnes to 24.8 tonnes. The Council estimates that it has made savings of over £50,000 to date, from recycling sales and by less rubbish being sent to landfill. A recent residents' survey showed that 82 per cent find the new service very easy or quite easy to use and 78 per cent thought the size of the wheeled bin was very adequate or adequate.
- 72 These are encouraging signs that, with the wider introduction of a new method for collecting recyclable wastes and refuse, the Council can achieve a higher recycling rate and reduce the cost of waste services per household. Residents in parts of Brecknockshire and Radnorshire will start to see similar changes over the next six months.
- 73 Powys County Council is working collaboratively with Ceredigion County Council towards the procurement of both the food waste and residual waste treatment capacity required to meet waste targets after 2014, and secure more sustainable waste management for the future.

## The Council lacks a culture that promotes an appropriately open and balanced assessment of its performance and has yet to effectively evaluate how well it is delivering its improvement objectives

74 The Council has reviewed its performance in 2010-11 in a 26-page document called *Powys Change Plan Stage 2 (Annual Performance Assessment 2010/11)*. This performance assessment makes use of a wider range of evidence than has been the case in previous years' reports. It does not rely exclusively upon local and national performance indicators but also draws on data from a range of other sources, for example the work of the Council's scrutiny committees and survey data obtained through citizen and service user engagement.

75 We refer earlier in this report (paragraphs 21-23) to weaknesses in relation to the Council's change plan 2010-2014. The plan did not articulate the level of performance the Council expected to achieve by the end of 2011, which makes it difficult to form a meaningful judgement about actual levels of performance, as described in the performance assessment.

76 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, and designs and implements appropriate governance and scrutiny arrangements.

### The Council's performance assessment for 2010-11 does not provide a balanced view of the progress the Council is making, as it tends to focus only on positive achievements

77 The Council's self-assessment of its performance does not provide a balanced view of the progress the Council is making, as it demonstrates a clear tendency to focus only on the positive achievements. For example, the summary describes how the Council asked residents to rate their satisfaction with 30 Council services, noting that 15 Council services received high satisfaction scores of over 70 per cent. However, the summary does not then proceed to identify the remaining 15 Council services which did not achieve these high ratings. The summary also considers areas where the Council states that it has performed well in comparison with other councils (ie, Children's Services and Education Services). But, it does not identify those services where the Council did not perform as well in comparison with other councils.

78 Also, there are a number of areas outside the summary where the narrative given in the performance assessment does not wholly reflect some of the challenges we know the Council has experienced. For example, in reporting improvement in the rate of delayed transfers of care, the performance assessment ascribes success to closer working between health and social care staff and the introduction of discharge planning co-ordinators, but makes no reference to the additional £3 million expended by the Council

to secure bed-space in care homes. In evaluating the Builth Wells project, the performance assessment records the Council's success in securing £4.9 million for the construction of an integrated health and social care facility, including 12 additional en-suite rooms for the provision of flexible nursing home care. It does not evaluate the consequence of there not being sufficient funding for the 60-bed facility originally envisaged as necessary by the Council.

- 79 As is the case for many councils in Wales, Powys has a culture which has had a tendency to paint an overly positive picture of how well it is delivering its services to citizens. The Measure requires councils to be more self-critical and evaluative around how they deliver their services. Councils now need to focus much more clearly on identified improvement objectives and the impact of improved services upon citizens, ensuring that citizens recognise that improved outcomes have been achieved. The need to change the Council's culture to one which is more openly self-critical and evaluative presents challenges for both officers and members, and may take some time to achieve. However, through our work with the Council over the last year, we have noted positive developments which indicate that the Council recognises the need to change and is taking appropriate steps to this end.

**The Council's performance assessment is overly reliant upon data which reports what the Council does, at the expense of data which demonstrates the difference the Council is making in terms of outcomes**

- 80 The Council's 2010-11 performance assessment is overly reliant upon data which reports what the Council does, at the expense of data which demonstrates the difference the Council is making in terms of outcomes. This tendency to focus on Council actions rather than impacts is seen across all four of its improvement priorities. For example, the Council assesses its performance under its *Learning in the Community* improvement objective against measures which include whether it has:

- secured approval for new primary schools;
- carried out reviews under its schools modernisation programme;
- produced a school transport policy;
- opened a new school;
- set up a new School Effectiveness Team;
- opened a new cycling and walking path;
- established new running groups;
- developed plans for joint working between Council services such as planning, and children's services;
- carried out a review of school transport; and
- launched a new youth bus service.



81 As a further example, under its *Regeneration* improvement objective, the Council assesses its performance against measures which include whether it has:

- established a regeneration board;
- formed a new development team;
- started writing the *Powys Local Development Plan*; and
- started work to improve Newtown town centre.

82 There are a very limited number of examples where the Council identifies the impacts of the activities it has carried out. For example, under its Climate Change improvement objective, the Council states that changes to its recycling schemes have increased the amount of waste recycled and led to savings of £50,000 through reduced landfill costs and sales of recycled materials.

83 The Council could also make better use of audit and inspection findings. Although the performance assessment describes the audit and inspection work carried out over the previous year, it does not use these findings to assess the Council's progress in delivering its four improvement objectives.

### The Council's Cabinet and scrutiny arrangements are not yet effective enough to facilitate informed decision making and robust challenge of service performance

84 The quality of information provided to members to enable robust decision making and challenge of the way services are performing is generally poor. Opportunities for discussing information that relates to critical decision making at key points in time is often absent. For example, the Builth Wells project, a model for modernising health and social care provision in Powys, originally costed as a 60-bed, £24 million scheme was rationalised down to a £4.9 million project, providing a 12-bed integrated health and social care facility.

85 During the key development phase, between February 2010 and September 2010, no information went to Board, Scrutiny or to the formal Project Board. Over the period February 2010 to September 2010, when the revised strategic outline case was submitted to the Welsh Government for approval, the Project Board did not meet. This was during the period that discussions were taking place with the Welsh Government around the decision to downgrade the scheme.

86 It is noted from minutes of the Project Board that some members did not feel adequately engaged over this period. This lack of involvement was at a time when key decisions were being made around the future of the project and how it could still meet the jointly agreed strategic objectives of both the Council and Powys Teaching Health Board in relation to future models of health and social care provision in Powys.

- 87 Quarterly performance reports submitted to Cabinet and Scrutiny focus member discussion on individual performance measures on an exception basis. Often such measures are of questionable significance in relation to a meaningful evaluation of how effectively the Council is meeting its improvement objectives. It is notable that the Council's performance management arrangements do not identify those areas of poor performance that we and the CSSIW found in our review of Adult Services. Similarly, Estyn inspectors judged that 'elected members do not place enough emphasis on standards' and 'that decision-making and scrutiny processes are not effective enough'.
- 88 The Council recognises that it needs to develop a framework to support members to understand the importance of good governance and scrutiny skills, especially with the introduction of the new Cabinet structure. The Council needs to ensure that information presented to members is sufficiently evaluative, relevant and timely. This must be done to promote more robust challenge of performance in order to help support improvement in services and deliver improved outcomes for the citizens of Powys.

# 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 Powys and Powys County Council

#### The Council

Powys County Council spends approximately £233 million per year (2010-11). This equates to about £1,774 per resident. In the same year, the Council also spent £42 million on capital items.

The average band D council tax in 2010-11 for Powys was £889 per year. This has increased by 2.99 per cent to £916 per year for 2011-12. Fifty-eight per cent of the dwellings within Powys are in council tax bands A to D.

The Council is made up of 73 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:

- 31 Powys Independent Alliance
- 13 Shires Independence Group
- 12 Welsh Liberal Democrats
- 9 Welsh Conservatives
- 5 Welsh Labour Party
- 1 Plaid Cymru
- 2 Unaligned

Powys' Chief Executive is Jeremy Patterson.

- Strategic Director – Communities, Skills and Learning: Paul Griffiths
- Strategic Director – Care and Wellbeing: Parry Davies
- Strategic Director – Finance and Infrastructure: Geoff Petty
- Strategic Director – Law and Governance: Clarence Meredith

## Other information

The Assembly members for Powys are:

- Montgomeryshire: Russell George, Welsh Conservative
- Brecon and Radnorshire: Kirsty Williams, Welsh Liberal Democrat
- Mid Wales Regional members: Rebecca Evans and Joyce Watson, Labour Party; Simon Thomas, Plaid Cymru; and William Powell, Welsh Liberal Democrats

The members of Parliament for Powys are:

- Montgomeryshire: Glyn Davies, Conservative
- Brecon and Radnorshire: Roger Williams, Liberal Democrat

For more information, see the Council's own website at [www.powys.gov.uk](http://www.powys.gov.uk) or contact the Council at County Hall, Llandrindod Wells, Powys LD1 5LG.

## Appendix 3

### Powys County Council's accounts and use of resources

The auditor appointed by the Auditor General issued the following auditor's letter on 29 November 2011.

Councillor Michael Jones  
Leader  
Powys County Council  
County Hall  
Llandrindod Wells  
Powys LD1 5LG

Dear Councillor Jones

#### **Annual Audit Letter to the Members of Powys County Council**

As you will be aware the Auditor General for Wales will be issuing an Annual Improvement Report 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 Appointed Auditor's 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 Annual Improvement Report and therefore discharges my reporting responsibilities under the Code of Audit Practice.

#### **Powys County Council complied with its responsibilities relating to financial reporting and use of resources**

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 29 September 2011 I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Council's and the Pension Fund's financial 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 in my Audit of Financial Statements report in the September 2011, and a more detailed report will follow in due course.
- 4 From 2010-11 local authorities in Wales are required to produce their accounts on the basis of International Financial Reporting Standards (IFRS). The introduction of these new standards imposed significant additional demands on the Council's finance staff, but despite these additional pressures, the accounts were prepared by the statutory deadline. The additional pressures and requirements did mean, however, that not all of the normal quality control checks could be undertaken and, consequently, the draft statements and supporting working papers were not always to the same standard as previous years (see paragraph 8 below for information on additional fee). I do recognise that the Council's finance team dealt with the introduction of IFRS without additional resource.
- 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 (Wales) Measure 2009. The main findings from this latter work will be set out in the Annual Improvement Report. Overall, I am satisfied that you have appropriate arrangements in place, although the Annual Improvement Report will highlight areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made.
- 6 In March 2011 I presented to the Audit Committee a report on disclosures made to us under whistleblowing arrangements. The report concluded that, overall, the concerns raised by the whistleblowers were either not substantiated or had already been recognised by the Council. However, there were serious failings in relation to governance arrangements of the Waste Aim High group, and in the appointment of one employee identified by the whistleblower. The Council has produced and agreed an action plan to address these issues.
- 7 I issued a certificate confirming that the audit of the accounts has been completed on 29 September 2011.
- 8 The financial audit fee for 2010-11 is currently expected to be £5,719 higher than that set out in the Annual Audit Outline. Additional work was required on the Fixed Assets balances and Capital Financing figures and, in general, the quality of working papers provided to support the Financial Statements and the audit trail were not as robust as previous years.

John Herniman

Appointed Auditor  
29 November 2011



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 24 Cathedral Road, Cardiff CF11 9LJ.

## Appendix 4

### Powys County Council's improvement objectives and self-assessment

#### Powys 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.

The Council approved a new council vision 'Efficient Services for the Green Heart of Wales' in February 2010, to be delivered through a strategic change model. The *Powys Corporate Improvement Plan 2010-2014*, also known as the *Powys Change Plan*, was developed around four improvement priorities (concerned with service delivery) and six efficiency priorities (concerned with achieving financial savings and developing the organisation's capacity). In 2011, the Council refined its plans by reviewing and prioritising the projects supporting each of its improvement objectives. Accordingly, in June 2011, the Council published five improvement objectives in its *Powys Change Plan 2011-2014* which can be found on the Council's website at [www.powys.gov.uk/index.php?id=296&L=0](http://www.powys.gov.uk/index.php?id=296&L=0).

They are:

Powys Change Plan 2010-2014 improvement priorities		Powys Change Plan 2011-2014 improvement objectives	
Adult Living	To help the elderly population remain in their homes, but also to improve the condition of housing and prevent homelessness.	Care and Wellbeing	We will work with partners to provide seamless, high quality services through better models of care which will build on the independence and resilience of individuals, families and communities and that are more efficient and sustainable.
Learning in the Community	To meet the challenges of falling school numbers, through the development of multi functional facilities, which provide learning and leisure opportunities for all the community.	Learning and Community	We will reduce costs by managing community assets to provide multiple local services. We will reconfigure schools provisions to match places to students and ensure our schools are financially viable and fit for purpose.

Powys Change Plan 2010-2014 improvement priorities	
Regeneration	To complete the Powys regeneration strategy as key to creating flourishing communities.
Climate Change	To reduce the Council's carbon footprint, support others in reducing their own carbon emissions and to make Powys more resilient to the effects of climate change, specifically extreme weather.

Powys Change Plan 2011-2014 improvement objectives	
Regeneration	We will improve the economic wellbeing of the citizens of Powys through using council resources and influence to stimulate regeneration activity.
Climate Change	We will help to protect and improve the environment by increasing recycling rates; reducing the amount of gasses that are harmful to our environment and ensure that the public of Powys are safe from the more extreme impacts of climate change eg, increased risk of flooding.
Council	We will work as one council, constantly challenging what we deliver and how it is delivered to improve quality and reduce cost. We will do this by transforming the ways in which our workforce operates, is remunerated and developed. We will improve how we communicate with both the community and our workforce. We will seek collaboration opportunities with other public bodies. We will utilise modern technology to improve productivity. We will improve the ways in which we procure goods and services.

Powys Change Plan 2010-2014 efficiency priorities	
Processes	To release efficiencies through more streamlined, less bureaucratic process, which give more power to front line staff.
ICT	To use ICT to support process reengineering and delivery against improvement objectives.
Workforce	To ensure that Council staff are fairly remunerated and appropriately skilled.
Support Services	To achieve efficiencies in support services, through working with partners, such as the health service and other councils.
Assets	To rationalise the Council's property portfolio through development of shared use buildings, and reduce fleet through shared use of vehicles.
Regulation	To redesign services to deliver efficiencies which reflect the Council's current financial position.

### Powys County Council's self-assessment of performance

The Council's self-assessment of performance can be found in its *Powys Change Plan Stage 2 (Annual Performance Assessment 2010/11)* which is available from the Council and from its website at: [www.powys.gov.uk/index.php?id=296&L=0](http://www.powys.gov.uk/index.php?id=296&L=0).

## Appendix 5

### The CSSIW's summary of its Annual Review and Evaluation of Powys County Council's Performance 2010-11

The authority's performance in relation to access to, assessment for and care management of services for children continues to improve and is now very near statutory targets. The authority needs to ensure that its quality assurance processes are robust so that they can be assured that the services that children, young people and their families receive are of sufficient quality. There is evidence that service strategies and commissioning plans are being implemented, and that this is leading to developments in the range of services available, for all children and young people in the authority in addition to those eligible for social services support. Over time, the authority will wish to be able to evidence that the services in place are leading to the desired outcomes. The authority also needs to ensure that its work with partners improves outcomes for looked after children and young people.

During 2010-11 there has been little tangible progress in delivering improvement and the necessary modernisation of adult social services. The authority has not demonstrated that it is any closer to putting in place the commissioning and procurement strategies needed to expand access to services and to develop a broader range of quality services. The authority has not evidenced that it has prioritised the issues and problems identified within Mental Health Services, highlighted by several independent bodies. Few of the recommendations made by CSSIW in last year's evaluation report have been addressed and the overall evaluation of adult services remains that most areas of service require prompt and significant improvement. The authority decided to move away from the plan to merge the social services authority with the Powys Teaching Health Board. In the last year progress has been confined to re-negotiating priorities and re-commencing planning albeit in a clearer project management framework. The need for real, sustained change, remains critical.

The authority has taken a proactive approach to workforce matters in recent years with strengths in terms of support to staff, training and development opportunities. However, there are ongoing vacancies in social services and the authority needs to minimise these and fill posts on a permanent basis. The authority has invested, to good effect, in case management and information systems which support performance management. They also support the authority's service planning, corporate planning and reporting to members. Use of this information and data for business planning at team and service level is being developed.

The authority remains a comparatively high spender on some social services groups (children and older people). The challenging financial climate has however seen social services needing to contribute to efficiency savings. Although the authority had been prepared to make additional resources available, if necessary, to support looked after children's placements and adult services modernisation, this was not needed. Social services under spent on its 2010-11 budget primarily due to gaps in front line services, which is not a sustainable position.

There is a marked contrast in strategic planning, partnership working and joint commissioning between children and adult services. There is evidence that in children's services the strategy to commission services in a way that integrates the needs of children and young people who are eligible for social services support, has continued to work well over the last year.

2010-11 was a year of change for political oversight and leadership in the authority. The Council consulted upon, and then moved to, a Cabinet model of governance while the plan to merge the social services authority with the Powys Teaching Health Board under a single senior manager did not proceed. In the latter part of the year, the authority concentrated its efforts on negotiating a collaborative management arrangement, at Director level, with a neighbouring authority and from April 1st 2011 implemented a decision to share a Director of Social Services as a pilot project. The interim arrangements at Director and Head of Adult Services level will have limited the ability of the authority to progress the performance of adult services and the significant adult services modernisation agenda. Senior and operational management arrangements in children's services have remained stable and there is evidence of continued strategic and operational progress.



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