



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

# Annual Improvement Report 2014-15

Incorporating the Corporate Assessment Report 2015

## Isle of Anglesey County Council

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The Auditor General and staff of the Wales Audit Office aim to provide public-focused and proportionate reporting on the stewardship of public resources and in the process provide insight and promote improvement.

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# Summary report

## Summary

- 1 Each year, the Auditor General must report on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement in delivering their services. This report sets out the findings of the work undertaken on behalf of the Auditor General by the staff of the Wales Audit Office in the Isle of Anglesey County Council (the Council) and also draws on the work of the relevant Welsh inspectorates. The report summarises the assessments undertaken since the Auditor General published his last annual improvement report in June 2014 and includes the findings of the Auditor General's Corporate Assessment, undertaken in February 2015. Taking all these findings into account, the report records the Auditor General's conclusion on whether he believes that the Council will make arrangements to secure continuous improvement for 2015-16.
- 2 This conclusion should not be seen as a definitive statement of organisational health or as a prediction of future success. Rather, it should be viewed as providing an opinion on the extent to which the arrangements currently in place are reasonably sound insofar as can be ascertained from the work carried out.
- 3 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.officer@audit.wales](mailto:info.officer@audit.wales) or writing to us at 24 Cathedral Road, Cardiff, CF11 9LJ.
- 4 The Auditor General has concluded that **the Council's self-awareness and its track record of improving governance and management are likely to support it in making arrangements to secure continuous improvement in 2015-16.**
- 5 This judgement reflects the conclusions of the Corporate Assessment, that **the Council has improved its self-awareness, making good progress in strengthening its arrangements and improving services, but much remains to be done to use staff and other resources more strategically.**
- 6 The audit team found that, **members, officers and partners co-operate well within an improving governance framework, addressing local priorities and arrangements that the Council recognises are not working well.**
- 7 We reached this conclusion because:
  - the Council's vision generally reflects local needs but the scale of ambition is not always clear to stakeholders and key strategies are not robustly integrated with the Corporate Plan;
  - the Council's inclusive and self-aware leadership acknowledges that more work is needed to embed cultural and managerial change and the Council is managing the associated risks;

- the Council's governance and corporate arrangements have improved; whilst important gaps remain, the Council has a good awareness of what still needs to be done; and
- the Council plays a prominent role in collaboration and contributes well to partnership working.

8 We also found that, **the Council has taken steps to address weaknesses in its strategic use of resources but more work lies ahead in the face of financial challenges.**

9 We found that:

- despite longstanding difficulties within the Finance Department, the Council has delivered overall savings targets and is now better placed to sustain improved arrangements for financial planning and accountability;
- the Council's approach to the planning and management of its workforce is not sufficiently strategic to mitigate the significant risks to future capacity and capability;
- the Council's asset management arrangements do not consistently support robust and effective decision making and improvement; and
- the Council has recognised the significant weaknesses in its use of technology and its information governance and is beginning to make progress from a low base.

10 Finally, we found that, during 2013-14, **the Council made good progress against its key improvement priorities.**

11 We concluded that:

- the Council performed well against a high proportion of the 2013-14 national indicators, which cover a wide range of services;
- Estyn judged that significant change and improvement had taken place over a comparatively short period, within the schools service and corporately;
- the Care and Social Services Inspectorate Wales (CSSIW) judged that, in 2013-14, the Council was in the early stages of implementing an ambitious transformation programme for both adults and children's services; and
- the Council continues to make progress in improving the Welsh language capability of its staff.

## Recommendations and Proposals for Improvement

- 12 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:
- make proposals for improvement – if proposals are made to the Council, we would expect it to do something about them and we will follow up what happens;
  - make formal recommendations for improvement – if a formal recommendation is made the Council must prepare a response to that recommendation within 30 working days;
  - conduct a special inspection and publish a report and make recommendations; and
  - recommend to Ministers of the Welsh Government that they intervene in some way.
- 13 We have made no statutory recommendations during previous work this year and we make none in this report. However, the Auditor General makes recommendations that may be relevant to the Council in his Local Government National Reports. A list of recommendations contained in reports issued in 2014-15 can be found in [Appendix 5](#). In addition, the following proposals for improvement stem from our Corporate Assessment work in February 2014.

## Proposals for Improvement

**P15.1** The Council should review its improvement priorities to ensure that the scale of its ambitions is clear and that it reflects realistically the capacity and resources at the Council's disposal.

**P15.2** The Council should ensure that its strategies for People, ICT and Asset Management are clearly linked to the Council's Corporate Plan and the associated financial strategy.

**P15.3** The Council should:

- further embed a culture of consistent corporate working among staff at all levels; and
- ensure that staff at all levels are held to account for complying with Council policies and the implementation of decisions.

**P15.4** In implementing its new procurement strategy, the Council should ensure that it develops and applies the skills necessary to better manage and monitor contracts with external suppliers of goods and services.

**P15.5** The Council should ensure a consistent approach to workforce planning and use the results to inform future reductions in staff.

**P15.6** The Council should address systematically and, where appropriate, corporately, the recommendations and proposals for improvement included in the:

- Wales Audit Office reviews of the Council's arrangements to support the safeguarding of children and of the Anglesey and Gwynedd Joint Local Service Board;
- review of the ICT service commissioned by the Council;
- Enforcement Notice issued by the Information Commissioner's Office;
- Performance Evaluation Report 2013-14 issued by the Care and Social Services Inspectorate Wales; and
- reports produced by Internal Audit.

# Detailed report





# Introduction

- 14 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 in delivering their services. **Appendix 1** provides more information about the Auditor General's powers and duties under the Measure.
- 15 In 2013-14, staff of the Wales Audit Office began a four-year cycle of Corporate Assessments of improvement authorities in Wales. This means that, in addition to an annual programme of improvement studies and audits of councils' approaches to improvement planning and reporting, each Council will receive an in-depth Corporate Assessment once during a four-year period. In the intervening years, we will keep track of developments and focus further assessment work on a number of key themes, developed in discussion with each Council.
- 16 We undertook our Corporate Assessment fieldwork in the Isle of Anglesey County Council (the Council) during February 2015. This annual improvement report includes the Corporate Assessment report and also summarises the regulatory reports issued to the Council since the last annual improvement report was published in June 2014. Whilst the Corporate Assessment does not aim to provide a comprehensive analysis of the performance of all of the Council's services, it reports on the Council's track record of performance and outcomes as well as the key arrangements that are necessary to underpin improvements in services and functions.
- 17 This work has been undertaken by staff of the Wales Audit Office on behalf of the Auditor General. With help from Welsh inspectorates, Estyn (for education), the Care and Social Services Inspectorate for Wales (CSSIW), and the Welsh Language Commissioner, we have brought together a picture of what the Council is trying to achieve, how it is going about it, and the progress it has made since the Auditor General published his last annual improvement report. Finally, taking all this into account, the report records the Auditor General's conclusion on whether the Council is likely to make arrangements to secure continuous improvement for 2015-16.
- 18 This conclusion should not be seen as a definitive statement of organisational health or as a prediction of future success. Rather, it should be viewed as providing an opinion on the extent to which the arrangements currently in place are reasonably sound insofar as can be ascertained from the work carried out.
- 19 Our fieldwork for the Corporate Assessment focused on the extent to which arrangements are contributing to delivering improved service performance and outcomes for citizens.

- 20 The Corporate Assessment covers the following:
- **Performance and outcomes:**  
‘Is the Council making progress on achieving its planned improvements in performance and outcomes?’
  - **Vision and strategic direction:**  
‘Does the Council’s vision and strategic direction support improvement?’
  - **Governance and accountability:**  
‘Do the Council’s governance and accountability arrangements support robust and effective decision-making?’
  - **Use of resources:**  
‘Is the Council managing its resources effectively to deliver its planned improvements in performance and outcomes?’
  - **Collaboration and partnerships:**  
‘Are the Council’s collaboration and partnership arrangements working effectively to deliver improved performance and outcomes?’
  - **Managing improvement:**  
‘Is the Council effectively managing its improvement programme?’
- 21 The conclusions in this report are based on the work carried out and, unless stated otherwise, reflect the situation at the point in time they were concluded. However, recent changes to the Council’s Senior Management Team and structure form an important context to this report. We refer to these changes in paragraphs 34 to 38.
- 22 Since conducting our Corporate Assessment fieldwork, we have met the Senior Management Team, the Leader, Deputy Leader, and Shadow Cabinet members, and have discussed our provisional findings. The Council has responded positively to those findings and has already put in place an action plan to address our proposals for improvement.

Members, officers and partners co-operate well within an improving governance framework, addressing local priorities and arrangements that the Council recognises are not working well

## The Council's vision generally reflects local needs but the scale of ambition is not always clear to stakeholders and key strategies are not robustly integrated with the Corporate Plan

- 23 The Council has developed two complementary and overarching documents that set out its vision. The first is focused internally, setting out the Council's plans to modernise and become more efficient. The other provides a vision for the Island and its citizens, developed jointly with Gwynedd Council and other Local Service Board partners and encapsulated in the Single Integrated Plan, 'Strengthening our communities in Anglesey and Gwynedd (2013-2017)'. Although not well articulated in all public documents, there are clear links between the Council's vision, strategic objectives and local targets, and national priorities such as supporting the most vulnerable, raising educational standards and modernising schools, and developing the economy.
- 24 The Council's ambitions are stretching and challenging, but important details are missing in some key documents. For example, some of the planned actions in the Council's 2014-15 Delivery Plan involve an increase in activity, but the scale of the anticipated increase is not quantified. Other planned activities include a performance target, but there is no information on previous performance levels, which makes it difficult for external stakeholders to assess the scale of the Council's ambitions. However, service-level business plans include transparent performance targets and clear links to the Council's improvement priorities, allowing the Council to monitor and report its performance.
- 25 Overall, the Council demonstrates a good awareness of the key geographic, demographic, economic, environmental and social contexts in which it operates. The Council has already strengthened its arrangements for engaging with stakeholders and the public, to ensure that their needs and aspirations are well reflected in its vision and strategic planning. However, the Council has recognised that its arrangements are not yet fully embedded. It is now taking action to promote a more consistent and comprehensive approach to engagement across the Council and its partners, working with Medrwn Môn<sup>1</sup> to improve consultation. This should help the Council to ensure that its vision and future improvement priorities are fully informed by a comprehensive needs analysis.
- 26 The Council's vision clearly reflects a commitment to continuous improvement. It has a clear focus on improving service performance and outcomes, driven by a comprehensive change programme. The Council has aligned some of its key plans and strategies with those of its partners; for example, it participates in a region-wide Joint Committee on residual waste. However, the Council's key plans and strategies, particularly those covering finance, assets, workforce and IT, are not robustly aligned with each other or with the Corporate Plan. The Council has recognised the weakness in its assurance and governance arrangements and is taking action to improve the links between its key plans.

<sup>1</sup> Medrwn Môn is an independent agency providing support and advice to voluntary organisations and community groups in Anglesey.

## The Council's inclusive and self-aware leadership acknowledges that more work is needed to embed cultural and managerial change and the Council is managing the associated risks

Elected members and staff work well together and have a clear understanding of what needs to be done but the Council's small size constrains the pace of improvement

- 27 The Council benefits from a well-regarded and stable political leadership. Whilst differences over specific policy issues remain, elected members across all political groups share the vision for the Island and demonstrate collective responsibility for the Council's contribution to delivering that vision.
- 28 The Council's leaders engage well with the leaders of groups not represented in the Executive. As a result, all councillors are more involved than in the past in the delivery of Council business. In addition to their formal committee work and ward activity, members take part in reviews of service performance, programme boards and a range of member development activity. As a result, members have a stake in the development and review of Council priorities and the approval of related strategies for their delivery. All members also have the opportunity to influence business planning and opposition members are now more actively involved than before in budget setting. Budget proposals are widely shared and discussed at an early stage.
- 29 The Council's leadership has also developed a more dynamic approach to engaging with staff. For example, middle managers and other staff volunteers are able to influence change through the Six Key Themes initiative, which provides the Council with a broad range of feedback on its progress. Although staff who participate in this initiative are encouraged to cascade their learning to colleagues, the Council does not yet have a systematic approach to share emerging good practice.
- 30 In January 2015, and prior to the Corporate Assessment, the Council produced its second self-assessment<sup>2</sup>. Progress is assessed against the six Key Themes outlined in the Council's Corporate Plan and draws on a range of evidence including:
  - the Council's Annual Governance Statement;
  - the Council's Annual Performance Report;
  - service challenges; and
  - views of staff gathered through six Key Theme Working Groups chaired by middle managers.

<sup>2</sup> The Council's self-assessment is available on its website: [Self Assessment Report 2015](#)

- 31 The Council's robust and well-balanced self-evaluation prior to our Corporate Assessment shows that senior officers and elected members have a good level of awareness of the Council's strengths and weaknesses.
- 32 Despite efforts to engage both staff and elected members, the Council's leaders acknowledge that the processes of embedding a corporate approach and eliminating silo-working are not yet complete, and that risks and areas for further improvement lie ahead. The Council continues to experience capacity pressures which are made more intense by, on the one hand, the Council's desire to achieve rapid change and, on the other, the increasingly austere financial climate. This pressure also extends to elected members; the reduction of 25 per cent in the number of councillors since the 2013 election has increased the workloads of those elected. Council staff also face a wide variety of challenging delivery targets as budget pressures increase and staff numbers reduce.
- 33 Consequently, a lack of capacity is often cited as the reason for project slippage in some areas. A recent decision to reduce the number of Programme Transition Boards from three to two, primarily to focus on internal and external programmes, should help the Council to use its capacity for driving change more effectively.

**The Council is aware of the risks associated with the changes in its senior officer leadership team but it is too early to evaluate the impact of the new arrangements**

- 34 Prior to our Corporate Assessment in February 2015, the Chief Executive had confirmed his plans to retire in May 2015, the mid-point of the Council's term of office. The Council's political leadership subsequently sought the Chief Executive's advice on how it might reduce senior management costs following his retirement, and began to consider options. The restructure aimed to reduce the size of the team whilst, at the same time, increasing officer capacity to focus on corporate issues.
- 35 The unexpected announcement shortly before our Corporate Assessment that the Deputy Chief Executive would also be leaving the Council in March 2015 introduced greater complexity and risk to the planning of the new structure. The potential loss of the entire senior leadership over a short period brought with it a risk that the Council might lose both direction and momentum in implementing its transformation programme.

- 36 The restructure proposals were agreed in principle in March 2015. The new operating model removes the tier of three Corporate Directors and replaces it with two Assistant Chief Executives who will report directly to the Chief Executive. The new structure includes one more post than another model that was considered, and therefore reduces costs by less than might otherwise have been the case. However, the approved model offers better mitigation against the risk outlined in paragraph 35. The Executive also decided to include the Monitoring Officer and S151 Officer as full members of the Council's Senior Leadership Team alongside the three new posts. This decision has the potential to add valuable experience and expertise to the team's discussions.
- 37 The new Chief Executive, appointed from within the existing management team, took up his post when his predecessor retired in May 2015. He has been involved in the Council's transformational programme from its inception and has a comprehensive knowledge of the challenges facing Anglesey. The two Assistant Chief Executives, both appointed in September 2015 from outside the Council, have yet to take up their posts at the time of publishing this report.
- 38 It is too early to evaluate the overall impact of these changes. As the new operating model settles down, the Council expects to improve and transform its services at a faster pace and strengthen its ability to respond effectively to external changes.

## **The Council's governance and corporate arrangements have improved; whilst important gaps remain, the Council has a good awareness of what still needs to be done**

### **Better governance arrangements reflect effective member development and support the Council in identifying those areas where it needs to improve**

- 39 The Council's governance arrangements have been strengthened and modernised in recent years across a number of governance themes. The improvements were incorporated in the Council's Transformation Plan, which was adopted in January 2013 setting out its transformational journey up to 2016. The Council has adopted a local code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE<sup>3</sup> Framework, 'Delivering Good Governance in Local Government'. The code is publicly accessible via the Council's website.

3 CIPFA – The Chartered Institute of Public Finance and Accountancy; SOLACE – Society of Local Authority Chief Executives and Senior Managers

- 40 The Executive, consisting of the Leader and six Portfolio Holders, is the key decision-making body at the Council. There are two Scrutiny Committees composed of councillors who are not on the Executive. The Corporate Scrutiny Committee is concerned with the internal working of the Council while the Partnership and Regeneration Scrutiny Committee is concerned with external partnerships and the impact of the Council on its communities. The work programmes of the two scrutiny committees are necessarily wide-ranging, but chairs and scrutiny support officers work well together to prioritise, drawing effectively on the Executive's forward work programme. The scrutiny function adds value to the Council's work and provides assurance that decision-making is robust and adequately informed.
- 41 The Council uses thorough self-assessments to identify areas for development or improvement in its governance arrangements and elsewhere. For example, the Audit Committee undertakes an annual self-assessment of its performance. For 2014-15, it identified the need to revise its terms of reference in line with new guidance from CIPFA, such as including for the first time the review of effectiveness of the Council's arrangements to secure value for money. The Council has also undertaken a review of its achievement against the six Key Themes in the Corporate Plan. The theme of 'Professional and Well Run Council', which includes the effectiveness of the Council's governance arrangements, was assessed as 'partially achieved'. The Council identified its improved political leadership and member involvement as positive achievements, and noted as areas for improvement the need to establish effective risk management and business continuity arrangements.
- 42 In 2012, Estyn and the Wales Audit Office inspected the Council's Education Services for Children and Young People. Following the inspection, the Council was placed in special measures and a Recovery Board was appointed to provide support and external challenge. The Council produced a post-inspection improvement plan and Estyn conducted three monitoring visits between November 2013 and June 2014 to assess the Council's progress. In our 2014 Annual Improvement Report, we reported that the Council was responding well to the findings of the Estyn inspection and that the performance of schools in Anglesey had improved.
- 43 After the last monitoring visit in June 2014, Estyn reported that the Council had made good progress and largely addressed all seven recommendations in the 2012 report; Estyn judged that significant change and improvement had taken place over a comparatively short period, within the schools service and corporately. Consequently, Her Majesty's Chief Inspector of Education and Training in Wales announced that the Council was no longer in special measures and that there was no need for further follow-up activity.



- 44 Estyn's 2014 report also praised the quality of the Council's work in identifying aspects of its work that need to improve. In June 2014, Estyn reported that the Council had provided an evaluative and precise self-evaluation report that identified strengths and areas that need attention. Inspectors commented that education officers knew their services and their schools well and that GwE<sup>4</sup> officers provided balanced evaluations of schools' performance to the Council.
- 45 Estyn reported that officers submit accurate evaluations of performance across the Council to elected members and that comprehensive arrangements are in place to ensure effective accountability and scrutiny. The Council has established a School Standards Monitoring Group, which includes members, and which scrutinises the performance of schools that are underperforming and holds them to account. Although at an early stage of the initiative, Estyn reported that the group's work had raised levels of accountability in schools as well as providing valuable information to members about schools' performance across the island.
- 46 Our Corporate Assessment concurs with these findings. The Council has already developed action plans to address the improvement areas identified in its self-evaluation.
- 47 The Council has effective arrangements to ensure that members across all political groups are well informed about Council business. These arrangements have helped to build mutual trust between members and officers. The Council has, for example, established a Shadow Executive to keep members informed and engaged, and to help build the capacity of opposition members. The Shadow Executive exists through an informal agreement between the controlling and opposition groups, with the support of the Senior Management Team, to help to ensure good governance within the Council. Regular meetings between group leaders and the Chief Executive and the use of informal Executive briefings have helped improve trust and relationships between officers and members. Officers can consult with members before any significant work is undertaken, and members remain well-briefed about significant planned developments at the Council. In addition, the Council's Heads of Service Group, 'y Penaethiaid', has been refreshed and is becoming an effective body which encourages more corporate working across services.
- 48 Members contribute constructively and relationships between members and officers are positive. The Council has produced a Relationship Protocol for members and officers and has benefitted from a programme supported by the Welsh Local Government Association to develop the Executive, Shadow Executive and senior leaders. This work is reflected in the significant reduction in the number of complaints to the Standards Committee about member behaviour, with no complaints upheld during the year.

4 GwE is the school improvement consortium serving the six local authorities in North Wales.

- 49 The Council recognises the importance of good member development and support and has provided a number of initiatives for development. For example, the majority of members complete personal development reviews regularly and attend extensive training tailored to their needs. Focus groups have been held with members to inform the content of the Member Development Plan and make it more relevant to their needs. The Council achieved the Welsh Charter for Member Support and Development in 2013-14. Each member, including the lay members of the Standards Committee, has a job description and personal development reviews. Members are also expected to publish an annual report on the Council's website. The report has a common format including information on political group, ward, roles and responsibilities, attendance record, training attended and activities the councillor has been involved in. It is a transparent way for citizens to identify what activities their councillor has been involved with.
- 50 A range of different but appropriate governance arrangements underpin the regional and local collaborations in which the Council is involved. Progress within the joint Anglesey and Gwynedd Local Service Board (LSB), for example, is reported separately to both councils' scrutiny committees and to the LSB Executive. However, the Council and its partners have recognised the need to modernise the LSB's governance arrangements, including scrutiny, and have engaged the Centre for Public Scrutiny<sup>5</sup> as an advisor.
- 51 Following an option appraisal process, the Council and its partners agreed a single governance and scrutiny model for the joint LSB in January 2015. Membership of the scrutiny committee has yet to be finalised, but it will include members from both councils, the public and third sectors, as well as co-opted members. The model takes account of good practice and has attracted interest from the Welsh Government and neighbouring LSBs. The Centre for Public Scrutiny has also highlighted the initiative as potentially breaking new ground and is providing ongoing support as the new arrangements develop and embed.

**There have been significant improvements in the Council's performance management in recent years but important gaps remain in the extent to which services and individuals are held to account**

- 52 There have been significant improvements in recent years in the way in which the Council manages its performance and controls the risks it faces. Planning at both corporate and service levels is more consistent in quality than before, and the use of project and programme management has introduced greater rigour into the management of work that requires a multi-disciplinary focus.

<sup>5</sup> The Centre for Public Scrutiny is a registered charity to promote public scrutiny, accountability, transparency and involvement for the public benefit.

- 53 Senior managers, members of the Executive and scrutiny representatives take part in regular service challenges, reviewing the performance of each service against its business and financial plans and reinforcing the accountability of heads of service.
- 54 Estyn has commented that, in the Lifelong Learning Service, planning now provides a clear direction for the work. The thread arising from Corporate Plans to departmental planning and then to personal plans is clear and staff at all levels understand better their individual contribution to realising the service's aims and objectives.
- 55 However, there remain inconsistencies and aspects of performance management that need to be strengthened. We refer later in this report, for example, to the weak performance management of the ICT service and to the inconsistent application of the staff appraisal system. We also identified that progress in implementing some internal audit recommendations has been slow and that there remains a backlog of recommendations rated as high to medium risk that have not been implemented since 2012. The Council's Audit Committee is increasingly aware of this issue and regularly challenges officers to address recommendations in a timely manner and provide regular updates on progress made.
- 56 The Council has no system to record that staff have read, understood and complied with policies and procedures. There have been instances of non-compliance in important areas such as corporate procurement and information security, even though both internal and external reports have highlighted issues with compliance since 2011. Without any records of compliance, it is difficult to show that the relevant policies have been appropriately circulated or understood by staff. The Council is aware of this issue and is considering options to introduce an electronic system to update staff on corporate policies, verify they have understood and are applying procedures, and providing an e-learning facility. The Council has also restructured its procurement team and processes to address and comply with issues highlighted in previous reports.

### **The Council has complied with its Corporate Planning and improvement reporting duties as required under the Measure**

- 57 Over the last few years, the Council has consistently improved the quality of its key plans and the Improvement Plan for 2014-15<sup>6</sup> is a clear and accessible document that sets out what the Council plans to do and how its success might be measured and evaluated. We issued a certificate in June 2014 confirming that the Improvement Plan discharged the Council's duties under the Measure (see [Appendix 2](#)).

<sup>6</sup> The Improvement Plan for 2015-16 has superseded the 2014-15 plan and is available on the Council's website: [Annual Delivery Document \(Improvement Plan\) 2015/16](#)

58 The Council subsequently produced its 2013-14 Performance Report, which provides a balanced assessment of delivery against the Council's improvement objectives. The report includes all the required elements and, in particular, explains how its contents contribute to the Council's statutory duty to make arrangements to secure continuous improvement and be accountable. It also sets out the Council's performance against all statutory performance indicators. The reporting style and content have improved since the previous year, reflecting the Council's constructive response to our feedback. We issued a certificate confirming our opinion in December 2014 (see [Appendix 3](#)).

**The Council has improved its previously complex and inconsistent risk management processes but it is too soon to judge the effectiveness of the new arrangements**

59 The Council recognises that it is on a journey in relation to developing a robust approach to the identification and management of risk. It has tried in recent years to simplify what was a complex risk management system but has not yet established arrangements that are applied consistently across the organisation. The Council did not respond promptly enough to issues such as the impending expiry of the contract with the supplier of its head of internal audit function, for example, and to the risks surrounding its information governance. These are matters that an effective risk management system should have flagged as being in urgent need of attention.

60 Despite the slow corporate progress in developing risk management, there have been pockets of good practice in individual services, and also in those projects that fall under the Council's programme management arrangements. In June 2014, for example, Estyn reported that the education service had formalised and ensured consistency in its internal systems, including its business planning, project planning and risk assessment processes. This had led to establishing more robust foundations and specific structures that promoted better consistency across the service. Subsequently, Estyn reported a strong sense of ownership and a clear commitment to the new systems from staff at all levels.

61 The Council is aware of this weakness and commissioned external support during September and October 2014 to help revise the risk management framework, including the policy, strategy, guidance and matrix. Between October and December 2014, more than 60 managers received training on the revised approach to risk. The revised risk register went live in April 2015. A new risk template is now in place for use in service delivery plans and the new risk management process. However, it is too soon to judge the effectiveness of the new arrangements.

## There are opportunities to strengthen the Council's arrangements to support the safeguarding of children

- 62 Between March and May 2014, we completed a review in all councils of their arrangements to support the safeguarding of children. The work also included a review of the Council's whistleblowing arrangements. As well as interviewing key staff and councillors and reading relevant documents, we conducted an online survey for elected members, senior managers, and staff in the education and leisure services to test each council's arrangements.
- 63 We have reported the outcome of this work separately and made nine proposals for improvement which we have not repeated in this report. In summary, we found that:
- The Council has established clear governance and scrutiny arrangements for managing its children's safeguarding responsibilities.
  - A local policy on safeguarding of children has been adopted, but the implementation of the safeguarding policy action plan suffered some delays against the original target dates, partly because of the Council's work on concluding Job Evaluation.
  - The proportion of survey respondents who were aware of who is the Council's Designated Officer for Child Protection and its lead councillor was higher than our survey average.
  - Children's safeguarding had not featured on a scrutiny agenda in the 12 months prior to our review, despite the development and introduction of the safeguarding policy. New arrangements, proposed in the policy to ensure effective scrutiny of safeguarding issues, had not been finalised.
  - The Council has a system to record the number of relevant staff that have received safeguarding training, but a slightly below average proportion of survey respondents reported that they had received recent training.
  - The Council has assured itself that it complies with data protection requirements.
  - The whistleblowing policy is clearly articulated within the Council's Constitution, but it had not been well promoted or used.
- 64 Since completing our work, we have supported the Council in improving its whistleblowing arrangements.

## The Council plays a prominent role in collaboration and contributes well to partnership working

- 65 The Council plays a prominent role in a number of strategic partnerships at national, regional and local levels and is aware of the areas where collaboration can improve. It is realistic about the challenges ahead and the need to deliver services with reduced budgets through supporting more integrated services, including regional commissioning.
- 66 The Council collaborates well with the private sector, with examples including the 'Energy Island' initiative, which is attracting low carbon energy developments to Anglesey. For example, a tidal energy project is being launched on the island, with the potential for creating both manufacturing and administrative jobs in the Holyhead area. The benefits from the Wylfa Newydd project also have the potential to transform the economy, promote business growth and inward investment.
- 67 Other examples include the recent announcement that the boundaries of Anglesey's Enterprise Zone are to be extended to include a marine renewable energy zone and the new Menai Science Park site in Gaerwen. Both locations have the potential to make a significant long-term contribution to the local and regional economy.
- 68 Collaboration between the Council and the Betsi Cadwaladr University Health Board (BCUHB) via the Integrated Delivery Board is providing benefits such as cost avoidance and savings, and improved resilience in a range of services.
- 69 Between November 2014 and January 2015, we completed a review of the Anglesey and Gwynedd Joint Local Service Board (LSB). We have reported the outcome of this work separately and made three proposals for improvement which we have not repeated in this report.
- 70 The LSB was established in April 2013, following the merger of the two former LSBs in Gwynedd and Anglesey. A new Partnership Unit, hosted by Gwynedd Council, was set up to co-ordinate the LSB's activity across both counties. There were difficulties during the first months of operation of the newly formed LSB. Weaknesses in its co-ordination and management resulted in some partners believing its focus was too narrowly based on low-level operational concerns, at the expense of addressing more important community issues. This resulted in a number of the partners feeling detached from the LSB's aims and objectives, which subsequently led to variable attendances at meetings, thereby lessening the effectiveness of decision making.

- 71 The Council and its partners recognised the situation was not sustainable and that a significant change was required for the LSB to make progress and promote better collaboration and outcomes. A pause-and-review stage was instigated during the year, during which a new Partnership Manager was appointed to better co-ordinate LSB activities, assist in the production of a joint Single Integrated Plan for both Gwynedd and Anglesey, and agree new priorities. In early 2014, and during the pause-and-review stage, the LSB made a number of important decisions including the need to:
- develop a new ambition with greater focus on bridging the funding gap in public services;
  - identify an appropriate balance between the effective management of demand for services in the short term, and the medium-to-longer term impact on service demands of multi-agency interventions;
  - develop a small number of key priorities for delivery over the next two years; and
  - review current partnership structures and the governance arrangements of the LSB.
- 72 The new Partnership Manager took effective steps to support the development of the LSB's vision and priorities and, in particular, to promote greater trust, commitment and co-operation amongst all the LSB partners. Attendances at LSB meetings improved significantly during 2014. The LSB also adopted a 'systems-thinking' approach to the development of its new priorities, resulting in a greater common understanding of the cultures, aims and objectives of the partner organisations and the development of three clear strategic priorities for the LSB. A new Chair, independent of both partner councils, was elected in November 2014.
- 73 As a result of the various initiatives undertaken during the year, we found that the LSB is better placed than before to contribute to the achievement of better outcomes for the citizens of both counties. Partners such as Snowdonia National Park, Medrwn Môn and Bangor University are involved in valuable projects to support and alleviate pressure on mainstream public services. A focus on breaking cycles and patterns of behaviour that result in greater demand and fragility across partners' services has the potential to introduce greater sustainability to the delivery of public services.
- 74 Despite the progress achieved during the year, there are a number of issues that need to be addressed if the momentum is to be maintained. The Single Integrated Plan – Strengthening our Communities in Anglesey and Gwynedd (2013-2017) – was published in August 2014, prior to the LSB developing its new priorities. The Plan needs to be updated to take account of the new priorities and identify individual partners' work streams. Also, the recent departures of a number of executive members and the Partnership Manager have undermined the LSB's resilience and capacity, and present a significant challenge to the Council and its LSB partners.

The Council has taken steps to address weaknesses in its strategic use of resources but more work lies ahead in the face of financial challenges



## Despite longstanding difficulties within the Finance Department, the Council has delivered overall savings targets and is now better placed to sustain improved arrangements for financial planning and accountability

The Finance Department has significantly reduced its dependency on agency staff and is better placed than before to develop internal financial management expertise

- 75 At the time of our Corporate Assessment, the Council's Finance Department had been led by four different individuals over the previous five years, two of whom were appointed on an interim basis. Key positions in the department had historically been filled on a temporary or agency basis because of a high level of staff turnover and difficulties in recruitment. The temporary status of staff in the Finance Department has impacted adversely on the Council's capacity to develop financial management expertise among its service managers and pursue its stated aim of 'growing its own'.
- 76 During 2015, the Council has taken positive steps to reduce the Finance Department's reliance on agency staff through the recruitment of a permanent Section 151 officer and by using agency staff to help support and mentor permanent Council finance staff in key positions. The Council has also recruited two finance trainees to start the process of building knowledge and experience in the department using locally-based staff, and to increase its resilience to staffing changes.
- 77 The Council has maintained the recent improvements in the timeliness and quality of the production of its accounts. The Council's Annual Audit Letter (see [Appendix 4](#)), issued for and on behalf of the Appointed Auditor in November 2014, reports that:
- the Council complied with its responsibilities relating to financial reporting and use of resources during 2013-14; and that
  - the Appointed Auditor is satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources.

## The Council is responding positively to our proposals for improving the way in which it sets and monitors its budgets

- 78 Our Review of Financial Management (the Review), issued in November 2014, identified that savings targets for 2014-15 had been driven by the Finance Department, with limited engagement with service managers. Operational managers were unable to articulate how the savings targets were allocated, resulting in a lack of ownership and understanding of the targets.

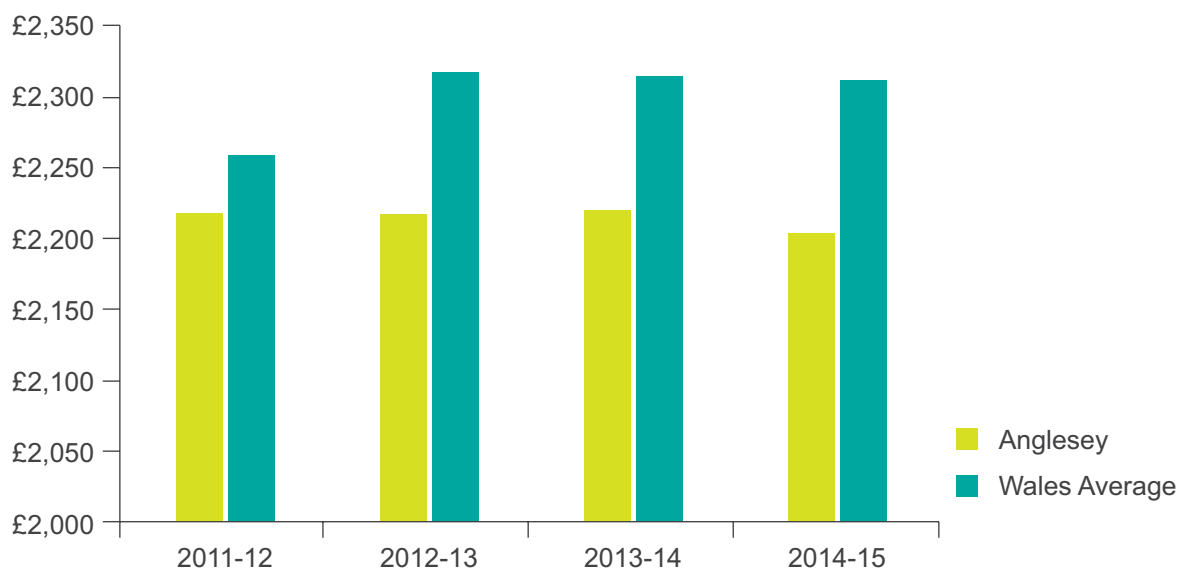
- 79 The Review identified four key proposals for improvement, focusing on:
- the better alignment of the budget with other key Council strategies;
  - increasing the clarity of a number of aspects of the budget-setting process;
  - improving the ownership of the budget-setting process by staff and councillors; and
  - ensuring that budget holders and councillors receive accurate and timely information about actual and projected expenditure.
- 80 In the latter part of the 2014-15 financial year the Council sought to address these areas of concern and the process of consulting with services, councillors and the public about 2015-16 budget improved. The Finance Department actively engaged with heads of service and councillors in order to develop a range of options for savings plans, and to give them the opportunity to scrutinise budgeting and contribute to the process of planning. Both the Executive and Scrutiny Committee reviewed draft revenue budgets in the light of the response to a public consultation before the budget was approved by full Council.
- 81 The Council intends to hold services more closely to account for their 2015-16 savings plans than has been the case in previous years. Services will be required to report on progress against their stated savings plans to the finance team and to the Senior Management Team and will be held to account for significant variances.
- 82 In a change from previous years, services will not be permitted to change their savings plans other than by a formal re-budgeting process. This will help provide greater clarity over whether the Council is successfully delivering its savings plans rather than, as has sometimes been the case in the past, by finding cost savings in areas it had not anticipated. Where savings plans are not simple one-off items, budget managers will be required to comply with project management principles to ensure that savings become firmly embedded year-on-year.
- 83 The re-launch of the Council's general ledger system, Civica, after a difficult first year of implementation, has generated greater confidence in the financial information available to the Council's services.

### **The Council has a reasonable track record of meeting its budgets, although the financial outlook remains challenging**

- 84 Historically, the Council has a reasonable record of meeting its budgeted targets. It achieved underspends of £1.1 million and £1.2 million in 2012-13 and 2013-14 respectively, although individual services have not always delivered their planned savings. Shortfalls in savings have been mitigated to achieve the final result for the year through savings in other areas above and beyond those identified in savings plans. The Council again delivered a small underspend on its 2014-15 budget of £0.6 million, representing about 0.5 per cent of the budget.

- 85 The final 2015-16 budget presented to the Council included £4.3 million of savings to meet the budget gap for the 2015-16 revenue budget. The Finance Department, as part of the service challenge process, scrutinised the historical performance of services in meeting their budgets, and challenged the spending plans of those with a track record of spending below budget. Contingency funds have been removed from individual services' budgets and centralised to be used should the need arise.
- 86 Savings plans developed through the 2015-16 budgeting process were reviewed to confirm their alignment with the Council's objectives, and have been designed, where possible, as ongoing savings rather than one-off savings in order to support the sustainability of financial planning.
- 87 The Council remains under significant financial strain and is aware that slippage against current and future budgets will place it under pressure to find additional savings. Approximately £10 million of additional savings are required for the 2016-17 and 2017-18 budgets, and the Council is approaching the limit of the savings that may be achieved through incremental cost reduction without impacting on its ability to deliver current services effectively. Difficult decisions will be required to secure the savings necessary to meet future years' budgets.
- 88 **Exhibit 1** below compares the Council's planned gross revenue expenditure (net of income) per head of population over the last four years with the average for councils across Wales.

**Exhibit 1 – Planned revenue expenditure per head of population since 2011-12**



Source: Stats Wales

- 89 The graph shows that planned expenditure per head in Anglesey has been a little lower than the Wales average since 2011-12. As levels of Revenue Support Grant (RSG) have fallen, the gap between expenditure levels in Anglesey and the Wales average has increased slightly since 2011-12. We calculate that spend per head in Anglesey has fallen by six per cent in real terms since 2011-12 compared with an average three per cent reduction across Wales.
- 90 We include in [Appendix 6](#) some information about the distribution of the Council's financial resources in 2013-14 and about trends in the Council's gross revenue expenditure and income since 2008-09. The data are drawn from the Council's Statements of Accounts.
- 91 As in all councils, the combined cost of education and social care form a high proportion of the Council's expenditure. Anglesey's demography results in the Council receiving a level of funding per capita (via RSG and the redistribution of Non-Domestic Rates) that is around the average for councils in Wales. These two sources of funding together represent about half of the Council's gross income, with the remainder coming from Council Tax income and other sources of funding. Rates of Council Tax in Anglesey are below the Wales average, although the Council agreed a 4.5 per cent increase in its 2015-16 budget.

### **The Council's efficiency in allocating resources to the Lifelong Learning Service has improved and officers' accountability to elected members has increased significantly**

- 92 We referred earlier in this report to Estyn's last monitoring visit in June 2014, during which inspectors assessed the use of resources in the Lifelong Learning Service. Estyn reported that the Council's efficiency in allocating resources to the Service had improved since the 2012 inspection, noting that:
- officers' accountability to elected members has significantly increased, and a number of committees and boards discuss funding matters more effectively: and
  - councillors are better placed to challenge officers on the management of the funding that is available.
- 93 Estyn found that the Council has developed an appropriate understanding of the financial position in schools. Officers have reviewed and reinforced their guidance to head teachers on financial management, setting clear expectations about the information required in schools' development plans about any significant over-expenditure or under-expenditure. Officers scrutinise the plans regularly and provide appropriate support to those schools that have deficits. By monitoring schools more effectively, the Council is able to identify at an earlier stage, the schools that are likely to overspend and offer guidance to them on managing their finances better.

- 94 Estyn's inspectors also reported that officers plan ahead efficiently and monitor expenditure regularly in order to provide appropriately for the needs of individual pupils with additional learning needs (ALN). Expenditure during 2013-14 on ALN remained within the budget that was available.
- 95 Improved control within the largely demand-led budget that meets the needs of pupils with ALN is a significant achievement. Nevertheless, budgeted gross expenditure on such provision increased by three per cent in 2014-15 compared with the previous year and is very high compared with other councils in Wales. On average, councils in Wales reduced their planned spending on ALN by 0.6 per cent during the same period. Anglesey's gross budget of £10.1 million for 2014-15 represents £1,086 for every pupil in the county's schools, the highest level in Wales and some 37 per cent higher than the average level of planned expenditure.<sup>7</sup>

**The Council is aware that there are weaknesses in its procurement arrangements and is taking steps to address these**

- 96 A fitness check undertaken on behalf of the Welsh Government Finance Minister in 2013 was presented to the Council's Audit Committee in April 2014. The purpose of the check was to identify whether organisational procurement capability was adequate and also to enable councils to identify its strengths and areas for improvement. The check identified that the Council was performing poorly relative to other local authorities in Wales in the area of procurement.
- 97 In order to address some of the recommendations made, the Council has established a procurement improvement project. The project team will report to a corporate board and to the Council's Audit Committee twice a year on its progress.
- 98 As part of its improvement project, the procurement team has drafted a new procurement strategy with the support of the Corporate Finance function. The Council has also sought to raise the profile of the procurement team with services, and intends to embed functional procurement champions in each service to help improve its purchasing processes.
- 99 We also found weaknesses in the Council's management and monitoring of existing contracts with external suppliers. The Council was slow, for example, in considering its options when its contract for internal audit services approached its expiry date. Officers in social services acknowledge that the arrangements to review and evaluate existing contracts have not kept pace with the increasing level of commissioning of services. As a result, there is too little assurance that those delivering services on behalf of the Council are providing the necessary quality and value for money.

<sup>7</sup> Gross expenditure includes that supported by specific grants. The data is drawn from SDR 99/2014, published by Statistics for Wales.

## The Council's approach to the planning and management of its workforce is not sufficiently strategic to mitigate the significant risks to future capacity and capability

There has been recent progress in implementing a new pay and grading structure but the work has undermined the capacity available to embed workforce planning

- 100 The Council has assessed and settled the vast majority of its Equal Pay claims. Though well behind the pace of other councils in North Wales, the Council has also made recent progress in developing its new pay and grading structure for Job Evaluation, with final negotiations ongoing with trade unions. The new structure is expected to come into force during 2015-16, with pay for the new structure backdated to 1 November 2013.
- 101 The Council has a small but well-established Human Resources (HR) team to support the management of its workforce. However, capacity within the team has been stretched in recent years because of its significant involvement in the work of assessing and settling Equal Pay claims and developing the new pay and grading structure. The team's capacity to support the Council in its strategic workforce planning has therefore been limited.
- 102 The HR team has nevertheless developed a range of related policies and procedures, including a Workforce Planning Strategy, a Talent Management Strategy, a Development Strategy and a manager's guide to Strategic Workforce Planning. However, the principles of these documents have not yet been fully integrated into the Council's procedures. Some of the strategies are not fully aligned with the Council's current objectives as they are now several years old, or currently exist in draft format having not yet been approved.
- 103 The Governance and Risk Group has now taken responsibility for addressing the area of workforce planning, and the Council recently participated in workshops led by Birmingham Council to help with its development of workforce planning. The aim is to identify strategic workforce requirements that are aligned to the Council's vision and its service business plans. However, this approach has not yet been rolled out across the Council. There is a risk that, unless strategic workforce requirements are co-ordinated centrally, a fragmented approach will develop, leading to inefficiencies or a workforce that is not fully fit for purpose.

- 104 We have referred earlier in this report to the recent changes within the Council's senior leadership team. The combination of planned departures and unexpected changes has resulted in the loss of accumulated knowledge and experience and has brought the issue of resilience and capacity into sharp focus. Further changes are likely in future as a result of cost-cutting measures. Furthermore, the Council decided some years ago to stop its graduate training scheme, leading to a slowing of the growth of natural successors among the staff.
- 105 The limited progress in strategic workforce planning makes it difficult for the Council to understand fully the impact of the decisions it makes and to mitigate systematically the risks arising as a result of both planned and unplanned staff departures. These risks are compounded by the fact that the Council has historically found it more difficult than in most councils to recruit staff to senior positions.

### The Council is addressing ongoing issues with high levels of sickness absence and poor rates of the completion of Performance Development Reviews

- 106 The Council's Transformation Plan has identified the HR and People Strategy and the management of staff performance as areas that need to be addressed to enable further progress. The Council has rightly identified that it needs to understand the new skills and capabilities that will be required in the medium term, and to plan how best to add this capacity to its workforce.
- 107 An effective Performance Development Review (PDR) system has the potential to identify both skills and shortages. The completion rate of PDRs has historically been inconsistent, exacerbating the lack of strategic workforce planning. However, a recent focus on the completion of PDRs has led to an improvement, and this should, in turn, lead to a better awareness of the Council's workforce development needs.
- 108 The Council has also improved its management of staff attendance, with levels of sickness absence falling from an average of 14.4 days per full time member of staff in 2012-13 to 12.4 days in 2013-14. Attendance rates improved further during 2014-15 to 11.5 days per full time member of staff. However, this rate of sickness absence remains among the highest for councils in Wales. The appointment of a co-ordinator to support the completion of return-to-work questionnaires resulted in an increase in completion rates from 59 per cent in 2013-14 to 80 per cent in the first six months of 2014-15.

## The Council's asset management arrangements do not consistently support robust and effective decision making and improvement

- 109 The Council does not yet have a clear vision and sense of purpose for its land and built assets. The Council's original asset management plan (AMP) was produced in 2009 and covered the period to 2013, whilst a draft AMP for 2015-2020 was still being finalised at the time of our Corporate Assessment. Although the draft AMP emphasises the need to regard assets as a strategic resource, the Council's approach is not yet robust. For example, the AMP is not clearly aligned with other key Council strategies, acquisition and disposal policies have not been developed for some important asset areas, and approaches to sustainability and joint asset planning are underdeveloped.
- 110 However, the Council has recently introduced some important changes, intended to promote effective asset management. In mid-2014, it established a multi-discipline Corporate Land and Building Assets Group (CLBAG) to promote effective use of its land and building assets and to provide greater clarity about associated roles and responsibilities. At the same time, the Council established a Capital Allocations and Review Group, which is closely aligned to the CLBAG and responsible for assessing business case proposals, informed by a new capital allocation policy. Together, these new arrangements support a more structured and strategic approach to asset management and encourage a robust approach to the management of capital investment projects.
- 111 There are a few examples where the Council has worked well with stakeholders to manage its assets. In general, however, it does not jointly plan the use of land and building assets with public sector partners and, despite the potential revenue savings, the Council does not have a systematic approach to identifying and championing potential community asset transfers. A few assets have been transferred to Town or Community Councils – such as the public conveniences in Beaumaris – but the Council's approach tends to be opportunistic rather than strategically planned.
- 112 High-profile Council initiatives such as the schools modernisation programme take clear account of sustainable principles when assets are acquired or developed. But, in general, sustainability does not feature prominently in the way the Council manages its assets; for example, the Council does not have an approved Energy Efficiency Policy for its buildings. The Council attributes the slow progress in adopting a more sustainable approach to a lack of resources.



- 113 The Council does not use performance data actively to inform the way it plans and manages its assets. Although it reports the basic asset condition data required by the national asset benchmarking club, the Council does not use data routinely and proactively to inform its decision-making. Nevertheless, the Council's asset-related performance, which focuses on the condition and maintenance requirements of public buildings, has generally improved at a faster rate than the national average, over several years. The Council has made good progress in some areas. For example, all of the Council's housing stock met the Welsh Housing Quality Standard in 2014, although over a quarter of the Housing stock was classified as 'acceptable fails'<sup>8</sup>. However, the Council acknowledges that it has not kept pace with the overall maintenance needs and, at the end of 2013-14, it estimated the backlog of maintenance (excluding its smallholdings portfolio) at around £18 million.
- 114 The Council has recognised that it will not have the resources needed to reduce the maintenance backlog to a sustainable level unless it reduces the size of its asset base. The draft AMP identifies several initiatives to help the Council reduce its maintenance liability, including a radical schools modernisation plan, which would also tackle the significant over-supply of primary and secondary school places on the island. Elsewhere, the Council has ring-fenced the income and any capital receipts it receives from its tenant farmers to address the significant maintenance requirements of its smallholdings estate. This approach should help the Council to maximise the income it receives and will also increase the capital value of the agricultural estate.
- 115 The Council is progressing a 'smarter working' initiative to introduce more flexibility into the way staff work and to rationalise its office accommodation. The Council expects to achieve significant savings by making more efficient use of fewer buildings and by disposing of, or redeveloping, buildings which are either surplus to requirement or which require significant maintenance. However, the Council's plans for its land and buildings have not been developed in conjunction with its Workforce Strategy. This is a potential missed opportunity and unless these and other key strategies are more closely aligned, there is a risk that the anticipated benefits will not be achieved.

<sup>8</sup> An Acceptable Fail occurs when the remedy required to meet the WHQS cannot proceed, based on cost of the remedy, timing of the remedy, physical constraints or the tenant's choice. For example, a tenant in sheltered or disabled accommodation may prefer a shower without a bath – a situation which would normally fail the WHQS criteria.

## The Council has recognised the significant weaknesses in its use of technology and its information governance and is beginning to make progress from a low base

The Council is aware of, and is beginning to address systematically, the significant shortcomings in its use of technology

- 116 The Council has a history of underinvestment in technology and an approach that has taken too little account of the needs of the staff using the Council's computer systems. We referred in paragraph 83, for example, to the difficulties encountered with the Council's financial ledger system, which has, until recently, not provided service managers with the information they need. The current HR system, procured in 2010, is another example of a system that does not fully match the needs of the department and the Council. In particular, the lack of a fully bilingual facility, staff self-service module and robust reporting has hampered the HR team's effective functioning and has led to staff being required to perform basic administrative tasks, further reducing the team's capacity for more strategic work.
- 117 There are nevertheless some positive features in the Council's use of technology. The Council's website is attractively designed to enable users to find what they are looking for, although the Council acknowledges the need to increase the extent to which the public is able to make payments online. The Council also makes increasing use of social media to engage with the public and to promote local events. Councillors have been keen to embrace the use of iPads to access committee papers and other information, thereby contributing to savings on stationery.
- 118 However, the Council is well aware that there are significant shortcomings in the way it uses technology, and that these weaknesses represent a barrier to modernisation. The Council commissioned an experienced consultant to review the ICT service and has begun to implement the recommendations of the comprehensive but highly critical consultant's report. The report identifies a historical lack of effective leadership and sound governance, including the absence of performance management, as being key weaknesses. The report also points to a lack of capacity within the ICT team.
- 119 The Council is far clearer than in the past about its vision for the role that technology will play in improving services for customers and in contributing to the Council's modernisation process. The consultant's report offers valuable analysis and insight that, together, provide a route map as to how that vision might be achieved. The recent appointment of a new service manager has the potential to help the Council focus on priorities and, through the Council's programme management arrangements, better integrate the use of technology within the Council's broader management of its resources.

## The Council has made recent improvements in its information security, but they have not been sufficient to satisfy the Information Commissioner

- 120 We have previously reported concerns about the Council's information security arrangements. Although reports issued by the Information Commissioner's Office (ICO) dating back as far as 2011 had identified weaknesses, there had until recently been little action to remedy these. Following a succession of serious security breaches, the ICO conducted an audit in July 2013 which provided 'very limited assurance'.
- 121 In contrast to its previous limited action, the Council responded positively to the ICO's report, preparing and beginning to implement an action plan that combined the ICO's recommendations with those contained in internal audit reports. In addition, the Council set up a Corporate Information Governance Board to provide the necessary leadership. The Council's Annual Governance Statement for 2013-14 identified Information Management as being an area of significant weakness in controls. A further report by the ICO in January 2015 reduced the Council's risk rating from 'red' to 'amber', and removed the Council from the ICO's formal monitoring category. The Information Governance Board re-drafted its work plan in response to the ICO's report and provides regular updates on progress to the Senior Leadership Team and to the Audit Committee.
- 122 Despite the Council's progress, we refer in paragraph 56 to the fact that service managers vary in terms of their compliance with the requirement to ensure that, for example, all staff receive training on data protection and that they complete the Council's information asset register. The Council also lacks suitable business continuity and disaster recovery plans.
- 123 On 1 October 2015, the ICO issued an Enforcement Notice under the Data Protection Act 1998. The Commissioner concludes that the Council has contravened the Seventh Data Protection Principle by failing to 'take appropriate security measures against the unauthorised or unlawful processing of personal data and against accidental loss or destruction of, or damage to, personal data'.
- 124 The Enforcement Notice requires the Council to address nine recommendations within three months. The Council has expressed its determination to address these recommendations.

The Council made good progress against its key improvement priorities

125 This section of the report focuses on the performance of Council services. We provide an overview of performance in 2013-14 as well as a more detailed assessment of progress against a selection of the Council's Improvement Objectives. Where possible, these evaluations draw on information that is more up to date than the 2013-14 data. We also include a summary of the Performance Evaluation Report 2013-14, produced by the Care and Social Services Inspectorate (Wales) (CSSIW), and the Welsh Language Commissioner's assessment of progress in Anglesey.

## The Council performed well against a high proportion of the 2013-14 national indicators, which cover a wide range of services

- 126 We reviewed the Council's performance for 2013-14 against the average for Wales across a basket of 44 national indicators<sup>9</sup>.
- 127 In comparison with 2012-13, performance improved or remained constant against almost 60 per cent of the indicators. The Council set targets for 40 of the 44 national indicators and met the goals it had set itself in 23 cases (58 per cent).
- 128 The Council's performance was among the best five councils in Wales against almost 40 per cent of the national indicators, considerably more than might be expected statistically. Performance against 23 per cent of the indicators ranked among the five lowest performing councils in Wales. As discussed below, the Council performed strongly against measures relating to education, whereas performance in social services showed a mixed picture.

## Estyn judged that significant change and improvement had taken place over a comparatively short period, within the schools service and corporately

- 129 After the last monitoring visit in June 2014, Estyn judged that significant change and improvement had taken place over a comparatively short period, within the schools service and corporately. Estyn reported that the Council had identified a number of obstacles to improvement and had responded appropriately to overcome them by:
- appointing the Director of Lifelong Learning, with effective support provided by a permanent senior standards and inclusion officer;
  - restructuring at head of service level, which strengthened corporate capacity to lead transformation projects to ensure specific improvements;
  - managing transformation projects at a higher level, enabling the Council to build a political consensus;

<sup>9</sup> 30 National Strategic Indicators (NSIs) and 24 Public Accountability Measures (PAMs), of which 10 are classified as both NSIs and PAMs

- members having a better understanding of the Council's responsibilities, and being involved increasingly in holding schools to account and identifying priorities for scrutiny; and
  - establishing effective arrangements for monitoring progress against the post-inspection improvement plan and working well with a Recovery Board that provided external challenge.
- 130 Subsequently, the relationship between the education service and schools had transformed, resulting in schools contributing considerably to the culture of continuous improvement, which Estyn judged to be rooted firmly within the Council.
- 131 Since the 2012 inspection, Estyn reported that the Council had reviewed the partnership agreement with schools, and had adapted it further to reflect the partnership with GwE, the regional school improvement service. Estyn judged that the challenge from the Council and input from an external adviser had led to a significant change in culture. Leaders of most schools on the island were engaging well with joint improvement activities and in partnerships.
- 132 Estyn judged that the Council is developing a comprehensive strategy for increasing schools' leadership and management capacity, a core element of which includes developing school-to-school support. Beneficial work has been done to develop relevant models of managing clusters of primary schools. Although it was at an early stage, the co-operation between schools was contributing to improvements in leadership skills and in the quality of teaching in an increasing number of cases.
- 133 Estyn reported that the performance of Anglesey schools had improved between 2011 and 2013 and, by 2013, was above the average for Wales in all key stages. In the Foundation Phase, and in key stages 2 and 3, the majority of schools were in the top 50 per cent. In key stage 4, there were no schools in the bottom 25 per cent for any of the five main indicators. Standards in reading, in Welsh and English, at the end of key stage 2 had improved over the two years. In key stages 3 and 4, the difference between boys' and girls' performance at the core subject indicator was less than it was across Wales. In key stage 2, the difference was greater but the gap had decreased since 2011.

- 134 Estyn have not reported on the performance of schools in 2014. Our analysis shows that the rate of improvement between 2011 and 2013 slowed a little in 2014, with performance against the key indicators in the Foundation Phase and in key stage 4 slipping a little below the Wales average. In key stages 2, 3 and 4, schools have made rapid strides in reducing the gap between the performance of pupils receiving free school meals and those who do not.
- 135 Estyn also reported that the Council had made good progress in its work to improve schools' attendance rates. Stakeholders were aware of the clear policy for promoting good attendance and were complying with it appropriately. As a result, attendance rates have improved year-on-year in both the primary and secondary sectors since the 2012 inspection.
- 136 The Council has made good progress in reorganising its primary schools, drawing on the Welsh Government's Schools and Education Programme for the 21st Century. A Strategic Outline Programme has been approved by the Welsh Government and the relevant capital has been secured. Since September 2012, the Council has closed five primary schools. Following the statutory consultation process, the Council has reaffirmed its plans to build two new schools by August 2016, one in Holyhead and the other in Llanfaethlu. The two new schools will replace a further six existing schools. The Council estimates that these plans will reduce the percentage of surplus places within the sector from 15.9 per cent, reported in January 2014, to 13.4 per cent by January 2017.
- 137 The Council makes good use of internal resources and expertise to develop and manage school reorganisation projects. Where necessary, it works effectively with external partners and specialist agencies and, in doing so, is helping to develop the skills of Council staff and to build capacity for future projects. The Council has learned effectively from the experiences of other authorities in developing building plans that meet the Council's requirements and ensure value for money.

## The Care and Social Services Inspectorate Wales judged that, in 2013-14, the Council was in the early stages of implementing an ambitious transformation programme for both adults and children's services

- 138 In October 2014, the Care and Social Services Inspectorate Wales (CSSIW) published its Performance Evaluation Report 2013-14. The evaluation is based on:
- information received from the council;
  - performance data;
  - discussion at quarterly engagement meetings with senior officers;
  - inspections, reviews and site visits;
  - intelligence from complaints and concerns;
  - information from other inspectorates and regulators; and
  - inspections of regulated services commissioned by the council.
- 139 The full report is available on CSSIW's website: [Performance Evaluation Report 2013-14 – Isle of Anglesey County Council Social Services](#). We have summarised CSSIW's assessment of the Council's performance below and draw on other aspects of their evaluation elsewhere in this report.
- 140 CSSIW's report for 2012-13 identified 15 areas for improvement. The 2013-14 report shows that the Council made progress against 11 of these, with significant progress in a few areas such as the development of effective scrutiny and the safe implementation of its change programme. Two areas remained in need of urgent attention:
- improvement in the range of social services for children with disabilities and placement choice for looked-after children remained a significant area for improvement; and
  - the review of the application of Deprivation of Liberty Safeguards thresholds had not been carried out and the Council recognised this as a priority for urgent attention.
- 141 The CSSIW concluded that, in 2013-14, the Council was in the early stages of implementing an ambitious transformation programme for both adults and children's services. The pace of change has been slower than had been hoped, and has been constrained by the limited capacity available within a small council and by the need to engage fully with councillors, one third of whom were newly elected in 2013. Nevertheless, the Council is open about what it has achieved and recognises where the rate of change is behind schedule.



142 CSSIW reported improvements in the stability of the social services workforce during 2013-14, with key management appointments in both children's and adult services and a reduction in the previously high numbers of agency staff. In line with corporate improvements, managers attended a series of training sessions focusing on team and service development. Performance management arrangements were improving, especially in children's services, but the lack of capacity hinders the Council's ability to develop, monitor and assure the quality of its frontline service delivery and the outcomes being achieved.

**The Council has reduced significantly the number of older people it supports but its plans are not underpinned sufficiently well by a comprehensive assessment of needs across the island**

143 Despite these constraints, CSSIW reports steady progress, particularly in relation to services for older people. The Council has a clear vision of how it wishes to shape its services and has seen a significant reduction in both the number of older people it supports to live at home and the number it supports in care homes. The number of older people receiving domiciliary care fell by almost half between 2011-12 and 2013-14, with a consequent reduction of almost 100,000 hours in the volume of care provided. This reduction is far larger than seen elsewhere in Wales and is in line with the principles of the Social Care and Wellbeing Act, which will require all councils to focus on supporting fewer people, but whose needs are more complex.

144 The Council believes that the reduction reflects a conscious effort on its part to refer and signpost people to other services in the third sector instead of providing direct social services support. However, CSSIW reports that this significant reduction in the number of older people being supported in the community cannot be attributed solely to the success of the Council's increased focus on re-ablement. Instead, CSSIW suggests that the Council may be applying its eligibility criteria more rigorously than in the past. CSSIW reiterates one of last year's areas for improvement, urging the Council to fully evaluate the impact of the changes to ensure that people are not being left with unmet needs. The Council's plans are not underpinned sufficiently well by a comprehensive assessment of needs across the island and the Council also lacks a detailed analysis of the existing market for the provision of care services.

145 Within adult services, the emphasis on services for older people has resulted in a lack of focus on services for younger adults including people with physical disabilities, learning disabilities and mental health needs.

**The Council continued to improve the core performance of children's services in 2013-14 but it had too little capacity to make much progress in re-designing services as planned**

- 146 CSSIW reported that, during 2013-14, the Council had continued to improve its core functions relating to the assessment and safeguarding of children and young people. This strategy lays stronger foundations on which to build change, but leaves little capacity to re-shape services. The Council aims to focus on productive interventions with children and families in order to ensure better outcomes and has taken some steps in this direction. However, many of the actions planned for 2013-14 were carried forward into 2014-15 and remain to be embedded and evaluated.
- 147 As with adult services, the Council reports that it is signposting more children, young people and their families to other agencies than before. Despite a 31 per cent increase in the number of referrals to children's services in 2013-14, there was a sharp reduction in the proportion of referrals that were subsequently allocated to a social worker. The resulting small decrease in the number of initial and core assessments carried out, alongside improvements to processes and to performance management, enabled the Council to improve the timeliness of its completion of initial assessments. However, the proportion of core assessments completed within the required timescales deteriorated to a level below the Wales average.
- 148 The stability of placements for looked-after children improved further during 2013-14 but more children than before had to move from one school to another. This reflects the limited availability of local foster carers and the correspondingly high proportion of looked-after children placed outside Anglesey. CSSIW reported that the Council's corporate parenting strategy remained in draft form.

## The Council continues to make good progress in improving the Welsh language capability of its staff

- 149 The role of the Welsh Language Commissioner was created by the Welsh Language (Wales) Measure 2011. New powers to impose standards on organisations came into force through subordinate legislation at the end of 2014. The Welsh Language Commissioner will continue to review Welsh language schemes by virtue of powers inherited under the Welsh Language Act 1993, and will enforce standards by investigating statutory complaints, making decisions on statutory investigations, maintaining a register of enforcement action, and imposing civil penalties when appropriate.
- 150 The Welsh Language Commissioner has told us that, during 2013-14, there was an increase in the number of frontline Council staff in Anglesey who are bilingual, from 81 per cent to 86 per cent. The Council continues to try and collect complete information about the language skills of the workforce. During the year, one-to-one language lessons were offered to staff for the first time and five senior officers accepted the offer. The Council began to keep a record of the preferred language of those receiving services for children, young people and families. A monitoring officer was appointed to inspect the services, including the use of the Welsh language. The Council has established a Community Translation Scheme Working Group in conjunction with other organisations in order to develop a sustainable model for providing a community translation service. The Council reviewed the membership of its Language Task Group, which is chaired by the Leader of the Council. The Chair of the Corporate Scrutiny Committee is a member to ensure that there is a link with the scrutiny system.

The Council's self-awareness and its track record of improving governance and management are likely to support it in making arrangements to secure continuous improvement in 2015-16

- 151 In this final section of the report, the Auditor General gives his opinion on the likelihood that the Council will make arrangements to secure continuous improvement in the year ahead, in accordance with the requirements of the Measure.
- 152 We reached this conclusion based on the earlier findings within this report. In particular, we have reported that the Council has:
- made good progress against its key improvement priorities;
  - taken steps to address weaknesses in its strategic use of resources, although more work lies ahead in the face of future financial challenges; and
  - established effective co-operation between members, officers and partners within an improving governance framework, to address local priorities and aspects of the Council's arrangements that it recognises are not working well.
- 153 We would like to thank the Council's staff and elected members for their assistance during our Corporate Assessment.

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

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

The annual improvement assessment is the main piece of work that enables the Auditor General to fulfil his duties. The improvement assessment is 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. The Auditor General will summarise his audit and assessment work in a published annual improvement report for each authority (under section 24).

The Auditor General may also, in some circumstances, carry out special inspections (under section 21), which will be reported to the authority and Ministers, and which he may publish (under section 22). An important ancillary activity for the Auditor General 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 – Audit of the Isle of Anglesey County Council’s 2014-15 Improvement Plan

## Certificate

I certify that I have audited the Isle of Anglesey County Council’s (the Council) Improvement Plan in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Council has discharged its duties under section 15(6) to (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

## Respective responsibilities of the Council and the Auditor General

Under the Measure, the Council is required to prepare and publish an Improvement Plan describing its plans to discharge its duties to:

- make arrangements to secure continuous improvement in the exercise of its functions;
- make arrangements to secure achievement of its improvement objectives; and
- make arrangements to exercise its functions so that any performance standard specified by Welsh Ministers is met.

The Measure requires the Council to publish its Improvement Plan as soon as is reasonably practicable after the start of the financial year to which it relates, or after such other date as Welsh Ministers may specify by order.

The Council is responsible for preparing the Improvement Plan and for the information set out within it. The Measure requires that the Council has regard to guidance issued by Welsh Ministers in preparing and publishing its plan.

As the Council’s auditor, I am required under sections 17 and 19 of the Measure to carry out an audit of the Improvement Plan, to certify that I have done so, and to report whether I believe that the Council has discharged its duties to prepare and publish an Improvement Plan in accordance with statutory requirements set out in section 15 and statutory guidance.

## Scope of the Improvement Plan audit

For the purposes of my audit work I will accept that, provided a Council meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information, or whether the Improvement Plan published by the Council can be achieved. Other assessment work that I will undertake under section 18 of the Measure will examine these issues. My audit of the Council's Improvement Plan, therefore, comprised a review of the plan to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the plan complied with the requirements of the legislation, and that the Council had regard to statutory guidance in preparing and publishing its plan.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

Huw Vaughan Thomas  
**Auditor General for Wales**

CC: Lesley Griffiths: Minister for Local Government and Government Business  
Huw Lloyd Jones: Manager  
Andy Bruce: Performance Audit Lead



# Appendix 3 – Audit of Isle of Anglesey County Council’s assessment of 2013-14 performance

## Certificate

I certify that I have audited Isle of Anglesey County Council’s (the Council) assessment of its performance in 2013-14 in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

As a result of my audit, I believe that the Council has discharged its duties under sections 15(2), (3), (8) and (9) of the Measure and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties.

## Respective responsibilities of the Council and the Auditor General

Under the Measure, the Council is required to annually publish an assessment which describes its performance:

- in discharging its duty to make arrangements to secure continuous improvement in the exercise of its functions;
- in meeting the improvement objectives it has set itself;
- by reference to performance indicators specified by Welsh Ministers, and self-imposed performance indicators; and
- in meeting any performance standards specified by Welsh Ministers, and self-imposed performance standards.

The Measure requires the Council to publish its assessment before 31 October in the financial year following that to which the information relates, or by any other such date as Welsh Ministers may specify by order.

The Measure requires that the Council has regard to guidance issued by Welsh Ministers in publishing its assessment.

As the Council’s auditor, I am required under sections 17 and 19 of the Measure to carry out an audit to determine whether the Council has discharged its duty to publish an assessment of performance, to certify that I have done so, and to report whether I believe that the Council has discharged its duties in accordance with statutory requirements set out in section 15 and statutory guidance.

## Scope of the audit

For the purposes of my audit work I will accept that, provided a Council meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information. Other assessment work that I will undertake under section 18 of the Measure may examine these issues. My audit of the Council's assessment of performance, therefore, comprised a review of the Council's publication to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the assessment complied with the requirements of the legislation, and that the Council had regard to statutory guidance in preparing and publishing it.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

## Recommendations under the Local Government (Wales) Measure 2009

There are no recommendations arising from the audit of Isle of Anglesey County Council's assessment of 2013-14 performance

Huw Vaughan Thomas  
**Auditor General For Wales**

CC: Leighton Andrews, Minister for Public Services  
Huw Lloyd Jones, Manager  
Andy Bruce, Performance Audit Lead

# Appendix 4 – Annual Audit Letter – Isle of Anglesey County Council 2013-14

Cllr. Ieuan Williams  
Leader  
Isle of Anglesey County Council  
Council Offices  
Llangefni  
Anglesey  
LL77 7TW

Dear Cllr. Williams

## **Annual Audit Letter – Isle of Anglesey County Council 2013-14**

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 as the Appointed Auditor and my reporting responsibilities under the Code of Audit Practice.

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

It is the Council's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

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

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

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This code is based on International Financial Reporting Standards. On 30 September 2014, I issued an unqualified audit opinion on the accounting statements stating that they present a true and fair view of the Council'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 on 23 September 2014.

The departure in February of the accountant who prepared the previous year's Statement of Accounts and the absence and subsequent departure of the previous Section 151 officer from April resulted in significant pressure being placed on the finance team to produce a CIPFA Code compliant draft of the Statement of Accounts.

I identified two material misstatements through the course of the audit fieldwork of £3.7m and £10.1m relating to Equal Pay provisions and the valuation of fixed assets respectively. Whilst these had no effect on the Council Fund balance, provisions were materially overstated and fixed assets were materially understated in the draft accounts presented to the audit team. Further immaterial errors were also identified. These issues could have been identified by a more detailed review during the production of the accounts.

I continue to have concerns regarding the reliance on temporary staff within the finance team. It is essential that arrangements are put in place as soon as possible to ensure that the finance team has adequate and appropriately skilled resources going forwards.

**I am satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources**

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

I would like to highlight the following specific areas in this letter:

The financial outlook for the Council remains challenging and financial planning and monitoring arrangements are in place to identify the funding gap and facilitate the savings required. Difficult decisions will again be required to secure the savings required on a sustainable basis.

The Council had reasonable arrangements in place for the production and submission of its 2013/14 grant claims but there is scope for improvement. 62% of the grant claims certified by PwC in respect of 2012/13 were subject to a qualification letter (38% in 2011/12). 38% of the grant claims were submitted by the Council after the submission deadline, compared with 39% for 2011/12. A more detailed report on my grant certification work in respect of 2013/14 will follow in 2015 once this year's programme of certification work is complete.

**I issued a certificate confirming that the audit of the accounts has been completed on 30 September 2013**

The financial audit fee for 2013/14 is currently expected to be higher than the agreed fee set out in the Annual Audit Outline because of the additional work required in several areas for the audit of the accounts, including the pension liability, equal pay provisioning and the production of the final draft of the Statement of Accounts.

Yours sincerely

**Lynn Pamment**  
**For and on behalf of the Appointed Auditor**

## Appendix 5 – National report recommendations 2014-15

Date of report	Title of review	Recommendation
May 2014	Good Scrutiny? Good Question!	R1 Clarify the role of executive members and senior officers in contributing to scrutiny.
		R2 Ensure that scrutiny members, and specifically scrutiny chairs, receive training and support to fully equip them with the skills required to undertake effective scrutiny.
		R3 Further develop scrutiny forward work programming to: <ul style="list-style-type: none"> <li>• provide a clear rationale for topic selection;</li> <li>• be more outcome focused;</li> <li>• ensure that the method of scrutiny is best suited to the topic area and the outcome desired; and</li> <li>• align scrutiny programmes with the council's performance management, self-evaluation and improvement arrangements.</li> </ul>
		R4 Ensure that scrutiny draws effectively on the work of audit, inspection and regulation and that its activities are complementary with the work of external review bodies.
		R5 Ensure that the impact of scrutiny is properly evaluated and acted upon to improve the function's effectiveness; including following up on proposed actions and examining outcomes.
		R6 Undertake regular self-evaluation of scrutiny utilising the 'outcomes and characteristics of effective local government overview and scrutiny' developed by the Wales Scrutiny Officers' Network.
		R7 Implement scrutiny improvement action plans developed from the Wales Audit Office improvement study.
		R8 Adopt Participation Cymru's 10 Principles for Public Engagement in improving the way scrutiny engages with the public and stakeholders.

Date of report	Title of review	Recommendation
July 2014	Young people not in education, employment or training - Findings from a review of councils in Wales	R1 Together with partners, map and review expenditure on NEETs services to better understand the resources required to deliver the Framework.
		R2 Clarify their strategic approach to reducing the proportion of 19 to 24 year olds who are NEET as well as their approach for 16 to 18 year olds.
		R3 Focus on young people with significant or multiple barriers to engaging with education, employment or training rather than those who are more likely to re-engage without significant additional support.
		R4 Develop their objectives and targets for reducing the number of young people NEET so that they can be held to account and their work aligns with the Welsh Government's targets and objectives.
		R5 Ensure that elected members and partners fully understand that councils have a clear responsibility for leading and co-ordinating youth services for 16 to 24 year olds.
		R6 Improve the evaluation of the effectiveness and relative value for money of the services and interventions in their area that are intended to reduce the proportion of young people who are NEET.

Date of report	Title of review	Recommendation
October 2014	Delivering with less – the impact on environmental health services and citizens	<p>R1 Revise the best practice standards to:</p> <ul style="list-style-type: none"> <li>• align the work of environmental health with national strategic priorities;</li> <li>• identify the wider contribution of environmental health in delivering strategic priorities of the Welsh Government; and</li> <li>• identify the benefit and impact of environmental health services on protecting citizens.</li> </ul>
		<p>R2 Provide scrutiny chairs and members with the necessary skills and support to effectively scrutinise and challenge service performance, savings plans and the impact of budget reductions.</p>
		<p>R3 Improve engagement with local residents over planned budget cuts and changes in services by:</p> <ul style="list-style-type: none"> <li>• consulting with residents on planned changes in services and using the findings to shape decisions;</li> <li>• outlining which services are to be cut and how these cuts will impact on residents; and</li> <li>• setting out plans for increasing charges or changing standards of service.</li> </ul>
		<p>R4 Improve efficiency and value for money by:</p> <ul style="list-style-type: none"> <li>• Identifying the statutory and non-statutory duties of council environmental health services.</li> <li>• Agreeing environmental health priorities for the future and the role of councils in delivering these.</li> <li>• Determining an 'acceptable standard of performance' for environmental health services (upper and lower) and publicise these to citizens.</li> <li>• Improving efficiency and maintaining performance to the agreed level through: <ul style="list-style-type: none"> <li>– collaborating and/or integrating with others to reduce cost and/or improve quality;</li> <li>– outsourcing where services can be delivered more cost effectively to agreed standards;</li> <li>– introducing and/or increasing charges and focusing on income-generation activity;</li> <li>– using grants strategically to maximise impact and return; and</li> <li>– reducing activities to focus on core statutory and strategic priorities.</li> </ul> </li> </ul>
		<p>R5 Improve strategic planning by:</p> <ul style="list-style-type: none"> <li>• identifying, collecting and analysing financial, performance and demand/need data on environmental health services;</li> <li>• analysing collected data to inform and understand the relationship between 'cost: benefit: impact' and use this intelligence to underpin decisions on the future of council environmental health services; and</li> <li>• agree how digital information can be used to plan and develop environmental health services in the future.</li> </ul>

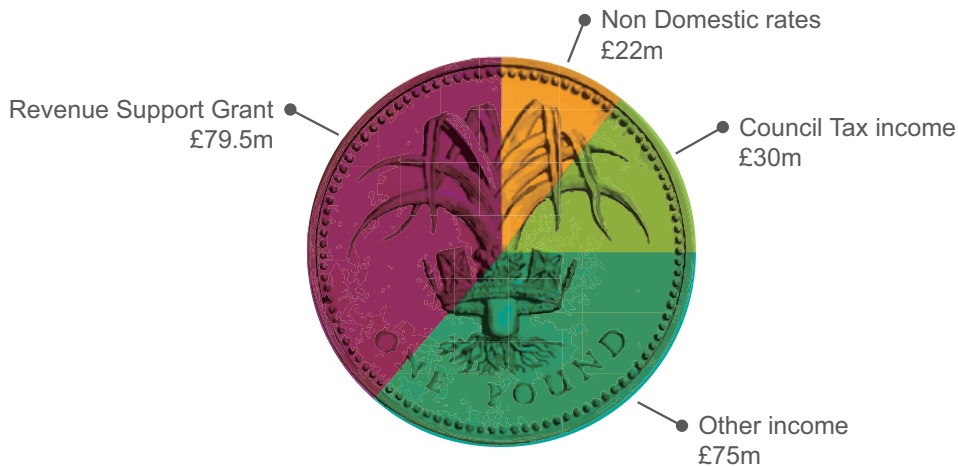
Date of report	Title of review	Recommendation
January 2015	<b>Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales</b>	<p>R1 Improve strategic planning and better co-ordinate activity to tackle the impact of welfare reform on social-housing tenants by ensuring comprehensive action plans are in place that cover the work of all relevant council departments, housing associations and the work of external stakeholders.</p>
		<p>R2 Improve governance and accountability for welfare reform by:</p> <ul style="list-style-type: none"> <li>• appointing member and officer leads to take responsibility for strategic leadership on welfare reform and be accountable for performance; and</li> <li>• ensuring members receive adequate training and regular briefings on welfare reform to be able to challenge and scrutinise performance and decisions.</li> </ul>
		<p>R3 Ensure effective management of performance on welfare reform by:</p> <ul style="list-style-type: none"> <li>• setting appropriate measures to enable members, officers and the public to judge progress in delivering actions;</li> <li>• ensuring performance information covers the work of all relevant agencies and especially housing associations; and</li> <li>• establishing measures to judge the wider impact of welfare reform.</li> </ul>
		<p>R4 Strengthen how welfare-reform risks are managed by creating a single corporate-level approach that co ordinates activity across the Council and the work of others to provide adequate assurance that all the necessary and appropriate actions to mitigate risk are taking place.</p>
		<p>R5 Improve engagement with tenants affected by the removal of the spare-room subsidy through:</p> <ul style="list-style-type: none"> <li>• the provision of regular advice and information on the options open to them to address the financial impact of the change in their circumstances;</li> <li>• the promotion of the ‘Your benefits are changing’ helpline; and</li> <li>• the provision of support to tenants specifically affected by the removal of the spare-room subsidy to participate in regional/national employment schemes.</li> </ul>



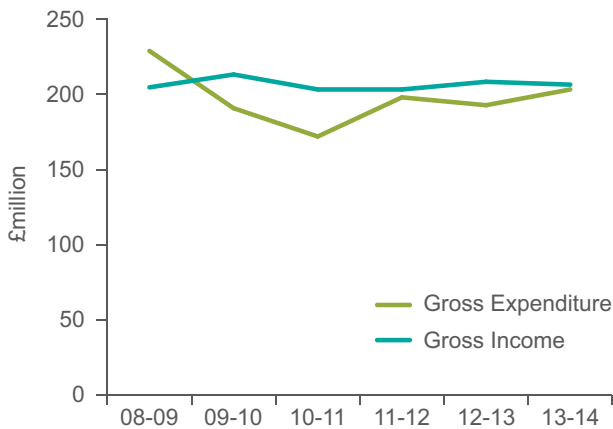
Date of report	Title of review	Recommendation
January 2015	<p><b>Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales</b></p>	<p>R7 Improve management, access to and use of Discretionary Housing Payments by:</p> <ul style="list-style-type: none"> <li>• establishing a clear policy or guide that is available in hard copy and online to the public that sets out the Council's policy and arrangements for administering Discretionary Housing Payments;</li> <li>• clearly defining eligible and non-eligible housing costs covered by Discretionary Housing Payments in application forms, policy documentation and applicant guidance leaflets;</li> <li>• clearly setting out the maximum/minimum length of time that such payments will be provided;</li> <li>• setting and publishing the timescale for the Council making a decision on Discretionary Housing Payments applications;</li> <li>• including information within public literature on the Council's policy for right to review or appeal of a decision and the timescales and process to be followed in deciding on these; and</li> <li>• clearly define the priority groups for Discretionary Housing Payments in public literature to ensure that those seeking assistance, and those agencies supporting them, can assess whether such payments are a viable option to address their housing and financial needs.</li> </ul>

# Appendix 6 – Useful information about the Isle of Anglesey County Council’s resources

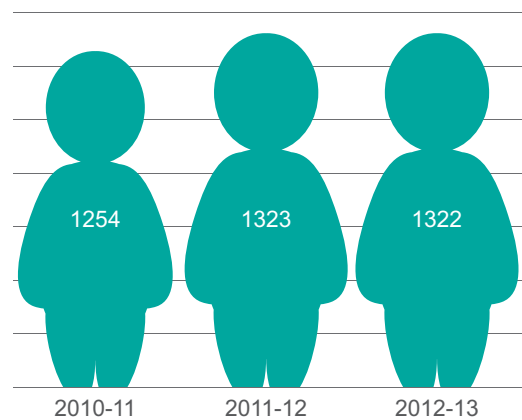
Total Gross Income 2013-14



Total Income and Expenditure



Number of whole time equivalent staff 2010-11 to 2012-13



Total Gross Expenditure by service area





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