



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Annual Improvement Report

Conwy County Borough Council

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About the Auditor General for Wales

The Auditor General is independent of government and is appointed by Her Majesty the Queen. He leads the Wales Audit Office and is held accountable by the Public Accounts Committee of the National Assembly for the Wales Audit Office's work.

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

As well as carrying out financial audit, the Auditor General's role is to examine how public bodies manage and spend public money, including achieving value in the delivery of public services. The Wales Audit Office aims to make public money count, by promoting improvement, so that people in Wales benefit from accountable, well-managed public services that offer the best possible value for money. It is also committed to identifying and spreading good practice across the Welsh public sector.

Huw Vaughan Thomas, Auditor General for Wales, was supported by Huw Lloyd Jones and John Roberts and colleagues under the direction of Alan Morris in conducting the Improvement Assessment and producing this report.

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Summary report

- 1 Each year, the Auditor General must report on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement and delivering their services. Drawing on the work of the Wales Audit Office and relevant Welsh inspectorates, this report presents a picture of the extent to which Conwy County Borough Council (the Council) has improved over the last year, and its arrangements for securing further improvement. The report is in three main sections which cover the planning, delivery and evaluation of improvement by the Council.
- 2 The first section of the report focuses mostly on the Council's forward planning of its work for the financial year 2011-12 and the arrangements that underpin that work. The second section, the delivery of improvement, looks back on the Council's performance in priority areas during 2010-11. However, we have also referred to more recent performance in those areas such as education where published data is available. In the third section of this report, we comment on the way the Council evaluates its performance, with particular emphasis on the Council's self-assessment of its work in 2010-11.
- 3 Overall the Auditor General has concluded that the Council's planning for improvement, monitoring and evaluation of its activity are, in many respects, contributing well to the delivery of improved services in priority areas.
- 4 We found that the Council's planning for improvement and its arrangements to deliver improvement are sound in most respects. In particular, we found that:
 - the Council has responded well to previous proposals for improvement;
 - the Council continues to work well with a range of partners but has not played a leading role within the North Wales Regional Partnership Board;
 - elected members continue to provide strong leadership for service delivery and effective scrutiny in challenging policy and performance; and
 - the Council recognises the value of public engagement and has good processes for informing and consulting the public, with more isolated examples of citizens being able to shape service delivery.
- 5 We also found that the Council is making good progress in delivering improvements in most of its priority areas.
- 6 In relation to the Council's services to support people in need, we found that the Council's continuing development of social care for adults is increasingly supporting older people to maintain their independence. There has been improvement in the quality of care and the consistency of practice in providing social care for children but some issues remain in the quality of data used to manage performance. However, the Council's performance in preventing homelessness and in providing services for those who are homeless did not improve as planned in 2010-11.

- 7 With regard to the Council's services to help people develop, Estyn has reported that education services for children and young people in Conwy are good and that they have promising prospects for improvement. However, the level of financial reserves held by schools remains too high.
- 8 Performance continues to improve in most aspects of the Council's work to improve the county's prosperity and to maintain the area as a safe and pleasant place. Data suggests that the Council's work is having a positive impact on the local economy. The Council reduced the proportion of municipal waste sent to landfill to 57.4 per cent in 2010-11, although most councils in Wales send less of their waste to landfill than Conwy. Most facets of the work of keeping the county's roads, open spaces and beaches clean are progressing well.
- 9 Finally, the report sets out our views on the Council's own assessment of its performance and arrangements. We concluded that the Council's performance management arrangements throughout the year contribute well to a culture of self-evaluation, but this culture is not fully reflected in the annual self-assessment.

Recommendations and proposals for improvement

- 10 There are no formal recommendations but the following proposals for improvement are made to the Council to support improvement.

Proposals for improvement

- P1** The Council should ensure that responsibility for the accuracy and robustness of performance data is clearly assigned within services and that staff whose work involves the generation of data are fully aware of how records should be kept.
- P2** The Council should, as part of its own cycle of improvement, consider the improvement suggestions included within our review of public engagement.

Detailed report



Introduction

- 11 This report was prepared by the Wales Audit Office on behalf of the Auditor General. On [page 2](#) you can find a brief explanation of what the Auditor General does.
- 12 Under the Local Government (Wales) Measure 2009 (the Measure), the Auditor General must report each year on how well Welsh councils, fire and rescue authorities, and national parks are planning for improvement and delivering their services. [Appendix 1](#) provides more information about the Auditor General's powers and duties under the Measure. With help from Welsh inspectorates, Estyn (for education) and the Care and Social Services Inspectorate for Wales (CSSIW), and from the Welsh Language Board, we have brought together a picture of what each council or authority in Wales is trying to achieve and how it is going about it. This report also sets out the progress the Council has made since the Auditor General published his last Annual Improvement Report, drawing on the Council's own self-assessment.
- 13 Throughout the report, we set out what the Council needs to do to improve its services. Given the wide range of services provided and the challenges facing the Council, it would be unusual if we did not find things that can be improved. The Auditor General is able to:
 - recommend to Ministers of the Welsh Government that they intervene in some way;
 - conduct a special inspection and publish the report with detailed recommendations;
 - make formal recommendations for improvement – if a formal recommendation is made the Council must respond to that recommendation publicly within 30 days; and
 - make proposals for improvement – if we make proposals to the Council, we would expect it to do something about them and we will follow up what happens.
- 14 We do not undertake a comprehensive annual review of all the Council's arrangements or services. The conclusions in this report are based on our cumulative and shared knowledge and the findings of the work we have prioritised to be undertaken this year.
- 15 We want to find out if this report gives you the information you need and whether it is easy to understand. You can let us know your views by e-mailing us at info@wao.gov.uk or writing to us at 24 Cathedral Road, Cardiff, CF11 9LJ.

The Council's planning for improvement, monitoring and evaluation of its activity are, in many respects, contributing well to the delivery of improved services in priority areas

- 16 In September 2011, the Auditor General wrote to the Council's Acting Chief Executive. The letter included:
- a summary of the Council's progress on areas for improvement and recommendations identified in the 2010 Corporate Assessment;
 - the Auditor General's assessment of the Council's compliance with its statutory obligations to make arrangements to secure continuous improvement; and
 - a brief commentary on relevant issues that had emerged since we issued the 2010 Annual Improvement Report in January 2011, including comments on how the Council was addressing financial challenges.
- 17 The Auditor General's September letter includes a positive assessment of the Council's progress in relation to the three areas for improvement that we had included in the 2010 Corporate Assessment. In summary, we reported that:
- the Council had developed and formally adopted an all-embracing performance management framework that supports its progress in making better use of outcomes and other appropriate measures in defining its priorities;
 - the Council was making greater use of local indicators attached to improvement objectives in order to monitor and benchmark improvement; and
 - the Council had improved its financial planning process by increasing significantly the involvement of members and staff in that process.
- 18 The letter stated that the Auditor General was satisfied that the Council was discharging its duties under the Local Government (Wales) Measure 2009, and that the Council was likely to comply with the requirements of the Measure during the 2011-12 financial year. Four main reasons contributed to our conclusion.
- 19 The first two of these reasons relate to the events following the suspension in March 2010 of the Council's former Chief Executive and his subsequent resignation in June 2011. We reported in the Auditor General's September letter that the Council had:
- maintained its momentum during the time of the former Chief Executive's suspension, and had effectively managed the risks to its ability to address current and future challenges; and
 - followed appropriate processes over the resignation of its former Chief Executive and had decided how it would appoint his successor.
- 20 The process of appointing a new Chief Executive is now complete. The Council appointed its former Monitoring Officer to the post on 29 September 2011. Since then, the Council has agreed to restructure its senior management team. It has appointed internally to two new Strategic Director posts and will advertise for a third Strategic Director to bring additional skills, capacity and expertise to the senior team.

The Council's planning for improvement and its arrangements to deliver improvement are sound in most respects

- 21 The two other reasons that supported the Auditor General's conclusion that the Council was discharging its responsibilities under the Measure were that:
- the Council had adopted a framework that established a consistent approach to the management of performance across the organisation, with a focus on identifying and delivering outcomes for the public; and
 - the Council was continuing to look for ways of further improving an already robust self-assessment process that informs corporate improvement and supports the development of staff.
- 22 As part of its performance management system, senior councillors and officers conduct twice-yearly reviews of performance in each service area. We attended two such reviews during the year, concluding in both cases that the reviews were effective vehicles for monitoring service performance and identifying those underperforming areas that require improvement.
- 23 Service area reviews focus on the work of a single service even though several services contribute jointly to the achievement of some of the Council's priorities. The Council has structures in place to help ensure that it maintains its focus on its priorities. We suggest in [paragraph 50](#) of this report that scrutiny committees might also contribute positively to raising the profile of corporate priorities within the Council's business.

- 24 While the Council has a sound approach to performance management, we have identified some areas with scope to improve the quality of the data that underpins the Council's assessment of its performance. The Council's auditors qualified or amended seven of the 41 2010-11 performance indicators that they audited, and the CSSIW has also referred in its Annual Performance Evaluation and Review to issues of data quality in some other performance indicators. Issues of data quality contributed to the fact that the Council was unable to demonstrate the achievement of one of the Outcome Agreement targets it had agreed with the Welsh Government. Partly as a result, the Council may not receive the full grant funding.
- 25 We expand later in this report on the Council's approach to assessing and evaluating its own arrangements and performance.

The Council has responded well to previous proposals for improvement

- 26 In the 2010 Annual Improvement Report, we made four proposals for improvement, all of which relate to the way in which the Council had defined and publicised its improvement objectives for 2010-11.
- 27 The Council has responded well to these proposals. The improvement objectives for 2011-12 are more clearly focused than those set for 2010-11. They define more precisely the Council's ambitions in the areas concerned and the measures that will reflect the Council's progress.

Proposals for improvement, January 2010

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

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

28 The Auditor General's September letter also summarised our findings in relation to the Council's management of its workforce and its financial planning. We found that:

- The Council had completed the job evaluation process and was continuing to deliver improvements in sickness absence. While the proportion of staff who complete annual performance appraisals was improving, it was still too low.
- The Council had improved its financial planning process, taking an innovative approach to identifying savings. However, we suggested that the production of a new Corporate Plan offered a valuable opportunity to align financial planning more explicitly with the Council's ambitions.

29 In **paragraphs 30 to 37**, we provide brief updates to the two assessments above and summarise the findings of further audit work that we have reported since issuing the Auditor General's September letter. This further work focuses on a number of common issues facing councils across Wales.

30 We reported in September that the Council is controlling staff numbers by a robust process of reviewing all vacancies as they arise and challenging the need to replace staff on a case-by-case basis. The Council has made no large-scale redundancies to date, but the average number of full-time equivalent employees reported in 2010-11 fell by about two per cent in comparison with the previous year. Despite a more proactive approach than before to the management of sickness absence, figures for 2010-11 show that staff lost an average of 10.86 days each due to sickness absence. This rate of absence is

only marginally less than the previous year, and remains above the Wales average of 10.34 days per member of staff.

- 31 We included a proposal for improvement in the Auditor General's September letter that the Council should increase the proportion of staff who complete the annual appraisal process. The Council is working with Denbighshire County Council to simplify and improve appraisal arrangements in both authorities.
- 32 The September letter refers to the Council's innovative approach to cost saving. By removing resources progressively from the areas of lowest priority first, the Council has protected key service delivery objectives. This approach has identified efficiencies and savings of almost £6 million within the 2011-12 budget, as required. However, we also noted that the work of preparing the Council's new Corporate Plan for 2012-16 offered an opportunity for the Council to align its finances more explicitly with its ambitions. While some priorities may be achievable within existing service budgets, others may require some reallocation of capital and revenue budgets in comparison with recent patterns of expenditure.
- 33 We refer later in this report, for example, to the increasing cost of places in care homes for older people. If these higher costs lead to fewer resources being available to help older people maintain their independence, there is a risk that more and more people will enter care, thereby further increasing costs. It may be necessary, therefore, to reallocate resources from elsewhere in the Council's budget in order to continue to pursue the Council's objective of promoting independent living. The Council has acknowledged the

potential value of aligning its new Corporate Plan more clearly to its financial planning and has agreed to prepare a Medium-Term Financial Plan.

- 34 The Council's approach to cost saving has nevertheless enabled it to cope well so far with reducing levels of funding. Despite a further reduction in Welsh Government funding of 0.43 per cent, the early stages of the 2012-13 budget preparation indicate a shortfall of less than £300,000. This assumes that almost £3.5 million of previously planned savings and increases in council tax revenue are realised. Individual services have, where necessary, submitted business cases for additional funding in good time for there to be a thorough challenge before councillors decide whether or not to approve them.
- 35 As is the case in all councils, external suppliers provide certain services on behalf of the Council under the terms of a contract. The Council has been developing its approach to procuring, managing and monitoring contracts for services in response to some issues that have arisen recently, but there are a number of aspects in which this area of the Council's work could be improved. We will report in more detail during 2012.
- 36 The Council's auditors have told us that grant administration has improved in the last few years. In 2009-10, the auditors raised concerns about 22 per cent of the grants audited compared to 35 per cent in 2008-09. To date, they have raised concerns about five of the 21 grants already certified in 2010-11. Of the 23 grant claims submitted for audit in 2010-11, only three were late. While this demonstrates that there are still opportunities for improvement, the Council in general has adequate arrangements for preparing its

grants and returns, and has internal systems in place to support grant certification work.

- 37 However, concerns have emerged recently about the Council's administration of a particular grant on behalf of the Welsh Government. The Council's internal auditors are investigating the circumstances leading to grant payments being authorised before the grant recipient had incurred the expenditure for which the payment was intended.

The Council continues to work well with a range of partners but has not played a leading role within the North Wales Regional Partnership Board

- 38 The Council's former Chief Executive, who resigned in June 2011, did not lead one of the North Wales Regional Partnership Board's four programmes. The new Chief Executive intends that the Council should take a more proactive role in leading developments in future.
- 39 The Council has nevertheless approved in principle the Outline Business Cases for:
- a Regional School Effectiveness and Improvement Service; and
 - a Regional Commissioning, Procurement and Monitoring Hub, aimed at securing greater efficiency in the procurement and subsequent monitoring of high-cost, low-volume residential care packages for children and adults.
- 40 We reported in the Auditor General's September letter that the Council has agreed a Statement of Collaboration to define its approach to future collaborative initiatives. This Statement makes clear the Council's commitment to increasing collaboration as a

means of 'securing improvements in service quality, service resilience and value for money for its residents'. However, the Statement also makes it clear that there must be added value arising out of collaboration, and that there must be sound governance arrangements, effective management of risk and properly resourced project management to underpin the progress of each collaborative initiative.

- 41 The Council has also developed an approach to assessing the benefits of working in closer collaboration with partners. It is now starting to apply that approach to new or potential collaborations. By May 2012, the Council also plans to have assessed the benefits achieved from existing collaborations and partnerships. This approach provides essential evidence to support the Council's decision-making around collaborative working.
- 42 Drawing on its Statement of Collaboration, councillors and senior officers have expressed reservations about aspects of the proposed arrangements for some of the projects emerging from the North Wales Regional Partnership Board. Some other partners and the Welsh Government perceive such reservations to represent an unduly cautious approach. However, constructive criticism and the identification of issues at Outline Business Case stage have the potential to strengthen Full Business Cases in due course, and to avoid damaging loss of commitment at a later stage in the planning.
- 43 The Regional Partnership Board, which includes other public services as well as the six north Wales councils, leads four programmes of work. Each includes one or more potentially significant collaborative projects. Partners have invested much time and resources in taking this work forward over

the last two years in response to Welsh Government encouragement and the increasing need to find efficiencies. However, those projects that will integrate services across north Wales are all grappling, often separately, with difficult issues such as:

- the governance of the proposed joint services, and how each of the constituent councils might retain and exercise their accountability for the cost and quality of the services delivered on their behalf; and
- how to deal with differences in the terms and conditions of staff who may transfer to the new integrated service, once established.

44 The CSSIW has reported that the Council has been active in collaborating with other agencies to deliver social services at both regional and sub-regional levels. We have referred above to the ongoing work to establish a Regional Commissioning, Procurement and Monitoring Hub with the aim of making savings on the procurement of high-cost specialist residential placements for children and adults. The Council has also re-commissioned its advocacy service for children in partnership with Gwynedd and Isle of Anglesey Councils. However, the Council has encountered difficulties in aspects of its partnership working with the Betsi Cadwaladr University Health Board, particularly with regard to the provision of social care for people with mental health problems.

45 Estyn has also commented positively about the Council's partnership working in relation to its education services for children and young people. Estyn's report following its inspection in March 2011 judges that partnership working is good, and states that:

- 'The Children and Young People's Partnership performs a key role in leading collaborative working well. It effectively draws together groups such as health and social care teams, the police and education workers. As a result, these groups build a good shared understanding of the needs of young people and learners....'

46 A review of north Wales strategic partnerships, led in 2010-11 by the North Wales Police Authority on behalf of the six north Wales councils, the Betsi Cadwaladr University Local Health Board and the North Wales Fire and Rescue Service, proposed that local strategic partnerships should become 'sub-regional', with pairs of councils working together. The proposal aimed to reduce the considerable duplication involved in the work of approximately 35 strategic forums that were in place across the North Wales region at the time. In May 2011, Conwy and Denbighshire Local Service Boards therefore agreed to merge, meeting for the first time as a single joint body in September, with the aim of further rationalising the remaining strategic partnerships by 2013. The two councils have also established a Joint Collaboration Board and the two Partnerships' Overview and Scrutiny Committees met jointly for the first time in December 2011 to consider how best to scrutinise the work of the Joint Local Service Board.

Elected members continue to provide strong leadership for service delivery and effective scrutiny in challenging policy and performance

- 47 Councillors continue to play a prominent and effective role within the Council's work. Despite a potentially fragile political context in which the largest single group is in opposition, the Council Leader has maintained the stability and drive of the experienced coalition Cabinet throughout the Council's four-year term. The CSSIW has reported that, for example, the social care and health portfolio holder provides both insight and direction for social services. The Social Services Improvement Agency has identified as good practice the work of a task-and-finish group of councillors in reviewing the funding provided by the Council to the voluntary sector.
- 48 During 2011, we reviewed the Council's scrutiny arrangements. This theme was one that we looked at across all councils in Wales. In Conwy, we concluded that scrutiny arrangements provide an effective challenge to policy development and performance monitoring. In particular, we considered the role of scrutiny in the delivery of one of the Council's improvement objectives for 2010-11. We found that Overview and Scrutiny Committees had been extensively and effectively involved in scrutinising and challenging aspects of policy and performance relating to the Council's commitment to 'talk to communities about the likelihood and possible consequences of flooding and coastal erosion'. We also found that the work of the Partnerships Overview and Scrutiny Committee has improved the scrutiny of the performance of some of the Council's key partnerships.

- 49 One of the strengths of the scrutiny system in Conwy is the effectiveness with which chairs and vice-chairs of the four Overview and Scrutiny Committees meet every month to update each committee's forward work plan. These meetings help to ensure that the topics chosen for debate are relevant and that the scheduling of the work of scrutiny remains closely linked to the Cabinet's work programme.
- 50 The Council's scrutiny arrangements would, however, benefit from some small adjustments to further increase the focus in scrutiny committees on the delivery of the Council's corporate priorities and its improvement objectives. One of the existing criteria for the selection of each topic for discussion at committee is its relevance to corporate priorities. However, the clearer identification on the agenda for each meeting of those items that relate to corporate priorities and improvement objectives would help to intensify the focus of committee members on these matters.

The Council recognises the value of public engagement and has good processes for informing and consulting the public, with more isolated examples of citizens being able to shape service delivery

- 51 As part of our All Wales Study in 2011, we looked at whether public engagement enables citizens in Conwy to help shape what the Council does, particularly with regard to its improvement objective in relation to flooding and coastal erosion. When done well, public engagement includes those members of the community whose voices have traditionally been left out of political and policy debates.

It also:

- 'helps people weigh a variety of perspectives and listen to each other's views;
- builds common understanding, manages differences and establishes direction for moving ahead on tough issues;
- builds trust and improves communication between the public and leaders; and
- creates new opportunities for citizens to become involved in public problem-solving and decision-making'¹.

- 52 We found that the Council is engaging local communities on how best to manage flooding and coastal erosion. Much of the county is at risk of flooding from rivers or from the sea. There is a history of flooding and coastal erosion in Conwy and the Council has prioritised flood prevention since 1990, when a major sea flooding-incident affected many residents. Work continues to bolster sea and river flood-defences and strengthen the coastline from erosion. Recently, the Council has used European Union Convergence funding to begin a major coast protection scheme in Colwyn Bay, as well as contributing to the regeneration of the area. Working with partners such as Environment Agency Wales and the Countryside Council for Wales, public consultation and engagement of citizens are important parts of this work because of the potential impact on residents and local businesses.
- 53 We identified as good practice the Council's public engagement in developing the Colwyn Bay Waterfront 'Hotspot' water-sports centre.

Good practice in public engagement

The Colwyn Bay Waterfront Project 'Hotspot' water sports centre is a good example of public engagement. This was a competitive process whereby architects submitted ideas for a water-sports facility to be built on top of new coastal defences. The need for coastal defences was not disputed, and the public engagement in consulting on four options was excellent. The winning coastal defence option also strongly promoted the regeneration of the Colwyn Bay beach and promenade. It re-established a sandy beach. The water-sports centre was an additional feature that changed the functional sea defence solution into an opportunity for the regeneration of this run-down area. Public engagement has helped the Council select an innovative design that takes on board many other comments from future water-sport users, citizens and stakeholders in general. The potential 'added value' of this project to stimulate regeneration and show that it is worth engaging with the Council should not be underplayed.

- 54 More generally, we found that the Council recognises the value of public engagement and has good processes for informing and consulting the public. However, a coherent strategic vision to empower citizens to influence and deliver services, and measures to evaluate public engagement are not yet fully developed.

¹ Definition of public engagement taken from 'Public Agenda' website, 2010.

- 55 There are, nevertheless, good examples of engagement that enables citizens to shape the services that they need. The CSSIW reported in its Annual Performance Evaluation and Review for 2010-11 that consultations on the Council's website offer opportunities for citizens to contribute meaningfully to service design and delivery. People who have disabilities or sensory impairments have been involved in compiling an information pack for visually impaired clients. An accommodation handbook was published in 2010, produced in partnership with the voluntary sector, parents, carers and providers. There is growing evidence that the Council is engaging effectively with citizens in a way that encourages the take-up of services.

The Council is making good progress in delivering improvements in most of its priority areas

56 The Welsh Language Board (the Board) works with councils to help them develop their statutory Welsh Language Schemes that outline the way in which councils provide services to the public in Welsh. Every council provides an annual monitoring report to the Board.

57 This year, the Board has praised the Council for significantly improving its ability to appoint Welsh speakers to posts for which the ability to speak Welsh was designated 'essential'. The Council has made progress in its ability to identify and record the Welsh language skills of existing staff, thus improving the Council's ability to provide a bilingual service to the public. The Board found that further work needs to be done to ensure the compliance of third-party contracts with the requirements of the Welsh Language Scheme. The Council currently has no mechanism for assessing the impact of its policies and strategies on the Welsh language, which is a requirement of its Scheme.

58 In addition to implementing its Welsh Language Scheme, the Council said that, in 2010-11, it would, 'promote the Welsh language and culture so that our children are proud of their heritage – their 'Welshness' – and are happy to share this with their families, communities and with people who visit the area'.

59 We commented in last year's Annual Improvement Report that improvement objectives such as this make effective evaluation difficult. In its Annual Report on its performance in 2010-11, the Council has judged that it met this objective, describing a

range of activities that have taken place to promote the Welsh language, particularly among children and young people. However, the performance indicators that the Council has chosen to reflect progress against this objective show a mixed picture. The proportion of primary school pupils studying through the medium of Welsh fell slightly compared with last year, and in secondary schools there was little change. Nine primary schools that are designated as English-medium schools teach at least 25 per cent of the curriculum through the medium of Welsh, but three more schools that the Council has been supporting to cross this threshold have not yet done so.

Despite some remaining issues of data quality, the Council's social services have continued to improve during 2010-11 but services for homeless people failed to meet targets and performance worsened

60 Three of the 10 improvement objectives that the Council set for 2010-11 relate directly to the support it provides for people in need.

The Council's continuing development of social care for adults is increasingly supporting older people to maintain their independence

61 The Council said that: 'If you are older, we will support you to maintain your independence and place in the community.' In its Annual Report, the Council provides a picture of improved performance during the year and concludes that it has achieved what it set out to achieve with regard to this improvement objective. The CSSIW has reported in its

Annual Review and Evaluation of Performance that 2010-11 was a very productive year for the Council in developing its services for adults.

- 62 The proportion of the Council's clients aged 65 or over whom it supports to live in the community rather than going into residential or nursing care increased slightly during 2010-11. Although this figure remains marginally lower than the average for Wales, Conwy's performance improved while the Wales average fell slightly. This improvement reflects the Council's increasing focus on 'reablement' – the process of enabling people to manage as many daily living tasks on their own, rather than having other people to do them on their behalf. The Council is measuring the impact of the care packages it provides and reports that almost 60 per cent of clients receiving short-term care no longer needed care after six weeks, or that they were able to transfer to less intensive packages of care. There is no comparative data available for this local indicator. However, Conwy's performance exceeded the target it had set itself and, in time, the Council will be in a position to monitor trends in its own performance.
- 63 In its Annual Review and Evaluation of Performance, 2010-11, the CSSIW reported that there is clear long-term direction in the future development and modernisation of Adult Services with continued delivery of a programme of work that enables people to remain living independently. The CSSIW also reports that, within Adult Services, there has been an improvement in aspects of care planning and timely service delivery that is better meeting people's needs. However, the Council acknowledges that further improvements are required before it can be satisfied that it is meeting the needs of all service users in a timely and consistent way.
- 64 In addition to providing packages of care in the home, the Council is also working with partners to increase the availability of extra-care housing in which older people are able to live independently, but with support available when they need it. Two extra-care housing schemes are now open in the county, with two others in progress. The Council is also developing specialist services in response to the increasing incidence of dementia and Alzheimer's disease in its population. Working closely with health professionals, this approach is aimed at early intervention and the provision of effective support for carers so that people are able to remain in their own homes with increased independence, despite their mental frailty.
- 65 The Council's focus on maintaining the independence of older people is also reflected in a rise in the number of people provided with assistive technology, home adaptations and equipment to help with daily living. The Council has been working with neighbouring councils and the health service to provide equipment and assistive technology. It has led on a regional project to monitor and respond to calls from those clients who have been equipped with tele-care equipment. The CSSIW has previously identified that the Council should increase the use of direct payments and self-directed support. While there was a small increase in the number of people provided with direct payments during 2010-11, the CSSIW has again noted this aspect as an area for development.

66 In response to legal challenges by the proprietors of private care homes elsewhere in Wales, the Council has resolved to increase significantly the fees it pays for clients it places in privately owned residential or nursing care. This decision has eliminated the risk of legal action against the Council and has helped to improve the financial sustainability of care homes. In the short term, the Council has developed a funding solution that avoids cutting its budgets for care in the community. In the longer term, however, and in the context of the need to constrain the total budget for adult services, there is a risk that the resources available for reablement will diminish. This, in turn, may jeopardise the Council's continued progress in supporting older people to maintain their independence.

67 The Council has further improved its strong performance in avoiding the delayed transfer of care for social care reasons for those people over 75 years old. In 2010-11, the rate per 1,000 population was 0.08 delayed transfers. This represents the best performance among all councils in Wales.

68 The CSSIW has identified as a strength the Council's increasing support for people with caring responsibilities. However, it has also noted as an area for improvement the robustness of the Council's data relating to the services it provides for people who care for adults. The proportion of carers offered an assessment increased in 2010-11 and is well above the average for Wales. However, the Council's own data indicates that only a very small proportion of these carers in fact received an assessment and, of these, very few received a service from the Council. The

Council has identified that it needs to ensure that it records this data accurately.

There has been improvement in the quality of care and the consistency of practice in providing social care for children but some issues remain in the quality of data used to manage performance

69 The CSSIW has reported that, in 2010-11, Children's Services reshaped their teams and systems with an improved quality assurance system. As a result the Council is able to demonstrate improvements in the quality of information and in the consistency of practice. The CSSIW has concluded that there are signs that children living in Conwy now receive help and support in a more timely and effective manner than they would have a year ago. The Council has made significant changes in its structure and practice in providing access, assessment and care management arrangements. However the timeliness of core assessments has deteriorated and is an area for improvement.

70 On 31 March 2011, the Council looked after 167 children, a slight reduction on the previous year. The Council has been improving its permanency planning and has increased the number of children placed for adoption and children returned to their parents or provided with permanent plans through alternative legal arrangements. The Council's performance in some aspects of care planning deteriorated during the year, but the Council states that some aspects of apparently poor performance during 2010-11, particularly for looked after children, reflects issues in its recording and performance management processes. The CSSIW has identified that the Council needs to improve

the robustness of its recording and performance management systems so that the Council is better able to evaluate and improve its services and support for looked after children.

- 71 The CSSIW has identified as strengths the Council's support for its looked-after children and its support for foster carers. The September 2010 inspection of the Council's children's home found that: children receive good quality care; staff were motivated; and those in charge used the monitoring of the service to make improvements. The CSSIW's inspection of the Council's fostering service in January 2011 found that the service continues to offer good support to the majority of carers and continues to strive to improve the service provided. The report concluded that practice within the Council's team is of a very good standard and shows a great deal of commitment to providing an excellent and responsive service to foster carers. This support is reflected in the fact that young people who are looked after achieved significant success in their GCSE results in 2010.
- 72 The Council said that, as one of its improvement objectives for 2010-11, it would, 'provide additional support for care leavers and support those leaving the Youth Justice System to enable them to take a fulfilled role in society'. The Council has reshaped its service for young people leaving the care system, particularly with regard to the supported accommodation available for them.

- 73 Although there are signs of improving educational outcomes for looked-after children, the CSSIW has judged that the Council needs to improve the long-term outcomes so that these young people are able to maximise their opportunities and life chances. During 2010-11, the Council increased to 87.5 per cent the proportion of young people formerly looked after with whom it is in contact at the age of 19. Of the 14 young people with whom the Council was in contact, 12 were in 'suitable, non-emergency accommodation' and two were in custody. However, only seven were in education, employment or training.

The Council's performance in preventing homelessness and in providing services for those who are homeless did not improve as planned in 2010-11

- 74 We reported in last year's Annual Improvement Report that the Council had improved its performance in preventing homelessness, but that homeless households with children spent much longer in bed and breakfast accommodation than in most councils. Performance indicators for 2010-11 have worsened, with all six showing that performance was well below both the Wales average and the targets that the Council had set. The impact of UK Government changes to the benefit system may well increase the level of demand on the Council's homelessness service.
- 75 The Council is aware of this risk and has included this aspect of its work among its improvement objectives for 2011-12 and in its Outcome Agreement with the Welsh Government.

Estyn has reported that education services for children and young people are good with good prospects for improvement

- 76 The Council said that, in 2010-11, it would, 'make sure our children get the best educational and social start, enabling them to take a fulfilled role in society'.
- 77 Estyn and the Wales Audit Office inspected the Council's education services for children and young people in March 2011. Inspectors judged that education services for children and young people are good because:
- Children and young people achieve good standards at the end of key stage 3 and key stage 4.
 - Very few learners leave school without a recognised qualification and this is among the best in Wales.
 - Support for school improvement is good and the promotion of social inclusion and wellbeing is excellent.
 - There are positive relationships and good communication between elected members and senior officers within the education service. This contributes to a team ethos that helps to deliver the service's strategic and business plans.
- 78 Inspectors also judged that there were good prospects for improvement because:
- The Council has effectively managed the development of its Primary Schools Modernisation Strategy and has considered well the options for the reorganisation of existing secondary school provision.
- The Council has a good track record of continuous improvement. It has responded well to the recommendations from the 2008 Estyn reports of education and youth support services.
- 79 Inspectors recommended that, in order to continue to improve, the Council should:
- continue to develop quality improvement measures to ensure that strategic evaluations show how well provision meets learners' needs;
 - evaluate the impact of increased delegation of funding to schools on outcomes for pupils with additional learning needs;
 - ensure that clear and transparent criteria are used for the allocation of schools to different categories of performance within the Council; and
 - improve the monitoring of training for child protection and safeguarding.
- 80 Estyn has told us that, when a range of contextual information is taken into account, the performance of pupils in 2011 was around average in key stages 1 and 2 (seven and 11 year-olds, respectively) and good in key stage 3 (14 year-olds). At key stage 3 there is only one school in the bottom half and no schools in the bottom quarter when compared with similar schools across Wales. Data for key stage 4 (16 year olds) suggests that performance is generally good. Performance in key stages 3 and 4, based on entitlement to free school meals, has met or exceeded almost all of the Welsh Government benchmarks in the four years up to 2010.

- 81 Attendance in secondary schools is good. It has consistently improved over the last four years and in 2011 was the second highest in Wales. Attendance in primary schools has remained constant and is in the top half of councils in Wales. The number of exclusions from schools has consistently decreased over recent years but the number of days pupils lose from school because of exclusions of six days or more remains high in comparison with other councils in Wales.
- 82 Since Estyn conducted its inspection in March 2011, the Welsh Government has revised its 21st Century Schools initiative to reflect the reduction in the capital funding available. Councils were required to submit revised strategies covering a six-year period, and during which they would be required to contribute 50 per cent of the necessary capital, rather than the 30 per cent that had originally been planned. The Council's revised strategy has attracted almost £9 million in Welsh Government funding in order to improve the quality of school buildings in four areas of the county. This sum is in addition to the £16 million of Welsh Government capital that we reported last year, and which will contribute to the redevelopment of Conwy's only special school.
- 83 In the meantime, the Council has agreed to close two further schools. In January 2011, 18.6 per cent of school places in Conwy were empty, marginally less than the average across Wales.
- 84 The cost per pupil of primary school education² has increased in 2011-12 to £5,077, the third highest among all councils in Wales. The equivalent cost for secondary schools is £4,938 per pupil, well above the average for Wales and a five per cent increase on 2010-11. However, this increase in spending on schools does not reflect a similar increase in the Council's overall expenditure on education, which increased by only 0.1 per cent in 2011-12. Instead, it represents the transfer of resources to 'frontline services', in line with Welsh Government policy.
- 85 The Council has also made good progress towards meeting targets set by the Welsh Government to increase the proportion of education funding that is delegated to schools. Schools' delegated budgets for 2011-12 are, as a result, significantly higher per pupil than they were in 2010-11. At £4,215 per pupil in primary schools and £4,564 per pupil in secondary schools, they are, respectively, the second and fourth highest among councils in Wales. Schools have needed to make only marginal use of the considerable reserves that they have built up in the past; during 2010-11, the level of reserves held by schools fell by £0.1 million to £4.4 million. This still represents £284 per pupil, the highest level of reserves held by schools in Wales.

² Figures taken from Revenue Account Forms, and include both delegated and non-delegated expenditure apportioned to primary schools, including specific grants.

Performance continues to improve in most aspects of the Council's work to improve the county's prosperity and to maintain the area as a safe and pleasant place

- 86 Half of the 10 improvement objectives that the Council set for 2010-11 relate directly to helping to create and maintain the area as a prosperous, safe and pleasant place. Only one of these related specifically to creating and maintaining safety in the area; the Council said that it would talk to its communities about the likelihood and possible consequences of flooding and coastal erosion. We have already discussed the Council's work in this area elsewhere in this report.
- 87 The Council nevertheless delivered a number of initiatives during 2010-11 that promote safety. For example, the Council has:
- installed CCTV in an area that had experienced anti-social behaviour;
 - delivered road safety improvements, safe route-to-school schemes and improvements to street furniture and signage; and
 - taken action aimed at reducing anti-social behaviour linked to the late night economy.
- 88 Two of the Council's improvement objectives for 2010-11 were to:
- develop a tourism plan that includes the whole county that promotes and makes the best use of our natural and built environment, our facilities and our culture, heritage and language, in a co-ordinated way; and
- work with partners and the business sector regionally and sub-regionally, to develop key business areas that complement our neighbours, ensuring a balanced, diverse local economy in order to regenerate communities and offer quality jobs which will contribute to retaining younger people in the area.
- 89 Tourism plays an important role in the county's economy, as well as being a driver for ensuring that the area is a pleasant place to live in and visit. The Council's involvement in the Green Sea³ programme helps to improve access, facilities and the provision of information at beaches within the area. Parc Eirias, which the Council hopes will host major sporting and cultural events, has recently opened officially and improvements to the Colwyn Bay waterfront and town centre continue. The number of tourists visiting the county for overnight stays increased by about 10 per cent during 2010-11 in comparison with the previous year, while the estimated local spending by tourists rose from £579 million to £596 million. These are encouraging signs for tourism in the area.
- 90 The Council has run a number of workshops with businesses, aimed at addressing 'skills gaps' – the mismatch between the skills needed by local businesses and those available within the workforce. In 2010-11, 469 businesses were involved in these workshops, a significant increase on the 64 businesses which took part in the previous year. However, there is no information available about the impact of these workshops on narrowing the skills gap locally.

³ A Welsh Government funded cross-sector partnership for safeguarding and enhancing the coastal environment of Wales.

- 91 The number of businesses supported in the area by the Council or by the Welsh Government increased from 1,130 to 1,287 during 2010-11, and the number of jobs created as a result rose from 20 to 25. The Council provided grants to 33 new businesses, while European convergence funding⁴ supported a further 53 businesses. This meant that the number of businesses financially supported increased significantly from 27 in 2009-10 to 86 in 2010-11. The occupancy rates for business units are high and increased slightly from 94.5 per cent to just over 95 per cent.
- 92 Taken together, these figures suggest that the Council is having a positive impact on the local economy, although the measures that the Council has chosen are not specific enough to demonstrate progress towards its improvement objective of, 'ensuring a.....diverse local economy....and quality jobs which will contribute to retaining people in the area'. The Council has made no use in its own assessment of its performance of measures such as local unemployment rates to help it assess whether the prosperity of its citizens is improving.
- 93 The Council said that, as one of its improvement objectives for 2010-11, it would, 'lead the way in making sure we contribute towards a sustainable future'. Dealing with waste is an important element of the Council's work in addressing this objective. The Council reduced the proportion of municipal waste sent to landfill to 57.4 per cent in 2010-11. This improvement in performance was better than the Council's target, but the Council still sends more waste to landfill than most councils in Wales. Partly as a result, the proportion of municipal waste collected that is prepared for reuse and/or recycled is also below the Wales average, and increased only slightly on the previous year.
- 94 However, the Council has, in recent years, been increasing the scope of its kerbside recycling activity. Following a pilot scheme, the Council has now rolled out its new scheme across the whole county. Any improvements to its performance indicators resulting from this investment will not appear until 2011-12. Meanwhile, the Council continues to work with four other north Wales councils to establish the capacity to treat residual and food waste.
- 95 As a further contribution to this improvement objective, the Council has been trying to reduce the level of CO₂ emissions in its non-domestic public building stock. Following an increase in emissions of 8.4 per cent in 2009-10, the Council has this year reported a significant reduction of 11.4 per cent in its CO₂ emissions. However, the Council's auditors have expressed doubts about the accuracy of the Council's data on this performance indicator.
- 96 The work of keeping the county's roads, open spaces and beaches clean is important to residents and to the Council's work in promoting tourism. Most facets of this work are progressing well. For example:
- The 'cleanliness index'⁵ increased from 74.5 to 76 in 2010-11, the third highest value in Wales. Keep Wales Tidy rated the

⁴ European funding, which replaced Objective One funding.

⁵ Denotes the overall standard of cleanliness of adopted highways and relevant land within a local authority. The scale is from 0 to 100 and higher scores indicate better cleanliness.

Council as being the cleanest county in Wales.

- The percentage of fly tipping incidents cleared up within five working days increased from 96.5 to 97.4, slightly better than the Wales average.

97 The Council has usefully introduced a number of local performance indicators to contribute to its assessment of its performance in maintaining the quality of the environment. These measures, such as how quickly the Council responds to requests to clear litter and to deal with 'sharps'⁶, reflect local concerns. The Council has also begun to use measures of public satisfaction within its evaluation. These developments reflect the increasing influence of public engagement across the Council.

⁶ Items such as hypodermic needles.

The Council's performance management arrangements throughout the year contribute well to a culture of self-evaluation, but this culture is not fully reflected in the annual self-assessment

- 98 The Council's management of its performance throughout the year demonstrates that it reflects on its performance and acts accordingly. We have referred elsewhere in this report to some of these strengths. In particular:
- the Council's twice yearly service performance reviews provide effective opportunities for councillors and senior officers to challenge and understand the performance of individual services;
 - where significant concerns arise, they are identified and managed within the Council's risk management framework; and
 - through its 'Six Key Themes' initiative, the Council makes opportunities for staff from across the organisation to reflect on how key aspects of governance might be improved, and how that might be achieved.
- 99 The Auditor General has determined that the Council has discharged all of its duties in relation to publishing improvement information. The Authority published its annual improvement plan (*Accounting For What We Do. Our Performance During 2010 – 2011*) on 21 October 2011. In accordance with Welsh Government guidance, the Council also published a shorter summary report (*You Said, We Did*).
- 100 Though balanced overall, the commentary within both the self-assessment and its summary tends to focus more on the Council's successes than on those areas where it has underperformed. This tendency is reflected to some extent in the fact that none of the performance indicators reported are coloured red in the document, even though, in a number of cases, they failed to meet the Council's target.
- 101 We said in last year's Annual Improvement Report that many of the Council's improvement objectives were worded in a way that made the clear evaluation of success very difficult. As a result, the 'measures of success' that the Council had chosen as being the most useful in measuring its progress do not, in many cases, provide enough evidence to judge definitively whether or not the objective has been met. We have referred earlier in this report to the fact that the Council has begun to address these issues in its improvement objectives for 2011-12 and in the measures chosen to judge success.
- 102 The Council has included within its self-assessment useful comparisons, where available, of its performance relative to other councils in Wales and with the Wales average. Such comparison is not possible for the many local indicators that the Council has introduced. However, the use of such indicators often reflects local priorities and concerns. As well as its 2010-11 performance, the Council has included data for two previous years in its self-assessment, allowing readers to judge its current performance in the context of a longer-term trend.
- 103 While the Council's self-assessment provides a commentary on its performance, it does not make it clear how the comments and comparisons have been used to draw out lessons from those areas of particularly successful performance and to identify how weaker areas of performance might be improved. To that extent, the self-assessment is not as evaluative as it might be.

Appendices



Appendix 1

Status of this report

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

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

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

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

The Auditor General may also in some circumstances carry out special inspections (under section 21), in respect of which he will provide a report to the relevant authorities and Ministers, and which he may publish (under section 22). The Auditor General will summarise audit and assessment reports in this published Annual Improvement Report (under section 24). This will also summarise any reports of special inspections.

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

Appendix 2

Useful information about Conwy and Conwy County Borough Council

The Council

In 2010-11, the Council's total revenue spending, including specific grants, was £258 million. This equates to about £2,327 per resident, second highest among the six North Wales councils and well above the average for councils in Wales. In the same year, the Council also spent £23 million on capital items.

The average band D council tax in 2010-11 in Conwy was £1,049.64, including Police and Community Council precepts. This has increased by 3.71 per cent to £1,088.63 for 2011-12 but remains one of the lowest in Wales. Seventy-one per cent of the dwellings within Conwy are in council tax bands A to D.

The Council is made up of 59 elected members who represent the community and make decisions about priorities and the use of resources. The political make-up of the Council is as follows:

- 18 Conservative
- 15 Independent
- 14 Plaid Cymru
- 7 Labour
- 5 Liberal Democrat

Mr Iwan Davies is the Council's Chief Executive. He is supported by two Strategic Directors, Mr Ken Finch and Mr Andrew Kirkham. The Council employs 4,724 staff, including teachers and other school-based staff. This represents an increase of about 270 since last year, though the number of full-time posts has fallen.

Other information

The Assembly Members representing Conwy constituencies are:

- Janet Finch-Saunders – Aberconwy, Conservative
- Darren Millar – Clwyd West, Conservative

The Members of Parliament representing Conwy constituencies are:

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

For more information see the Council's own website at www.conwy.gov.uk or contact the Council at the Council Offices, Bodlondeb, Bangor Road, Conwy, LL32 8DU, or by telephone on 01492 574000.

Appendix 3

Annual Audit Letter to the Members of Conwy County Borough Council

Local electors and others have a right to look at the Council's accounts. When the Council has finalised its accounts for the previous financial year, usually around June or July, it must advertise that they are available for people to look at. You can get copies of the accounts from the Council; you can also inspect all books, deeds, contracts, bills, vouchers and receipts relating to them for 20 working days after they are made available. You can ask the auditor questions about the accounts for the year that they are auditing. For example, you can simply tell the auditor if you think that something is wrong with the accounts or about waste and inefficiency in the way the Council runs its services. For more information see the Wales Audit Office leaflet, *Council accounts: your rights*, on our website at www.wao.gov.uk or by writing to us at 24 Cathedral Road, Cardiff CF11 9LJ.

The auditor appointed by the Auditor General wrote to the Leader of the Council as follows on 17 November 2011.

Annual Audit Letter to the Members of Conwy County Borough Council

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

Conwy County Borough Council complied with reporting requirements relating to its financial performance and use of resources

- 1 It is the Council's responsibility to:
 - put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
 - maintain proper accounting records;
 - prepare a Statement of Accounts in accordance with relevant requirements; and
 - establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.
- 2 The Public Audit (Wales) Act 2004 requires the appointed auditor 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 he has completed the audit of the accounts.

- 3 On 30 September 2011 the Appointed Auditor issued an unqualified audit opinion on the accounting statements confirming that they presented a true and fair view of the Council's financial position and transactions. This report is contained within the Statement of Accounts. A number of matters arising from the accounts audit were reported to members in our Audit of Financial Statements report.
- 4 From 2010-11 local authorities in Wales are required to produce their accounts on the basis of International Financial Reporting Standards. The introduction of these new standards imposed significant additional demands on the Council's finance staff. Despite these additional pressures, the accounts were prepared by the statutory deadline.
- 5 Our review of the Council arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government Measure (2009). The main findings from this latter work will be set out in the Annual Improvement Report.
- 6 We have not been able to complete the 2010-11 audit because there are outstanding questions and objections raised by electors relating to a range of areas of the Council's operations. We have undertaken preliminary work with regard to most of them and expect to conclude on them shortly.
- 7 In addition, I cannot presently close the 2009-10 audit. There are two objections outstanding, one relating to contract management that I expect to be resolved through the issue of a report shortly, and one relating to expenditure on the Colwyn Bay Pier where a member of the public, appealed to the court over the auditors' decision not to apply to the court for a declaration that an item of account was unlawful.
- 8 The financial audit fee for 2010-11 is currently expected to be in line with those set out in the Annual Audit Outline. However, additional fees are being charged to deal with the objections raised. So far the cost to the Council is £27,000 for the 2009-10 accounts and £10,000 for 2010-11. There will be further costs in dealing with the objector's appeal to the court.

Ian Pennington
Director, KPMG LLP

For and on behalf of the Appointed Auditor

17 November 2011

Appendix 4

Conwy County Borough Council's improvement objectives and self-assessment

Conwy County Borough Council's improvement objectives for 2011-12

- 1 The Council is required by the Welsh Government to make plans to improve its functions and the services it provides. Each year it must publish these plans along with specific 'improvement objectives' that set out the key things that the Council intends to do to improve. The Council must do this as soon as possible after 1 April each year.
- 2 The Council agreed its improvement objectives for 2011-12 in May 2011 and aligned them with the objectives set out in its Outcome Agreement with the Welsh Government. The details are available on the Council's website at www.conwy.gov.uk. The improvement objectives are grouped under seven broad headings:
 - People in Conwy live in a county where the Welsh language, its heritage and culture thrive.
 - People in Conwy are healthy.
 - People in Conwy are educated and skilled.
 - People in Conwy live in a sustainable environment.
 - People in Conwy live in a county which has a thriving economy.
 - People in Conwy live in safe and appropriate housing.
 - People in Conwy live in a fair, inclusive and informed community.

Conwy County Borough Council's self-assessment of performance in 2010-11

- 3 The Council set 10 improvement objectives for 2010-11. The Council said that:
 - We will promote the Welsh language and culture so that our children are proud of their heritage – their 'Welshness' – and are happy to share this with their families, communities and with people who visit the area.
 - We will deliver a tourism plan that includes the whole county that promotes and makes the best use of our natural and built environment, our facilities and our culture, heritage and language, in a co-ordinated way.
 - We will work with partners and the business sector regionally and sub-regionally, to develop key business areas that complement our neighbours, ensuring a balanced diverse local economy in order to regenerate communities and offer quality jobs which will contribute to retaining younger people in the area.
 - If you are older, we will support you to maintain your independence and place in your community.
 - We will make sure our children get the best educational and social start enabling them to take a fulfilled role in society.

- We will provide additional support for care leavers and we will support young people entering and leaving the Youth Justice System to enable them to take a fulfilled role in society.
- We will work with local businesses to identify skills gaps. And then support people to increase their skills and get into work so that they are less dependent on out of work benefits, have improved mental and physical well-being and increased disposable income.
- We will talk to our communities about the likelihood and possible consequences of flooding and coastal erosion.
- We will maximise the use of our technology to modernise our working practices, reducing the need for paper based working.
- We will lead the way in making sure we contribute towards a sustainable future.

4 The Council's self-assessment of its performance can be found in its *Annual Report – 2010-2011*, available on the Council's website.

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