

Pwyllgor Archwilio

Man Cyfarfod
**Ystafell Bwyllgor A - Neuadd y Sir,
Llandrindod, Powys**

Dyddiad y Cyfarfod
Dydd Gwener, 16 Tachwedd 2018

Amser y Cyfarfod
10.00 am

I gael rhagor o wybodaeth cysylltwch â
Lisa Richards
01597 826371
lisa.richards@powys.gov.uk



Neuadd Y Sir
Llandrindod
Powys
LD1 5LG

Mae croeso i'r rhai sy'n cymryd rhan ddefnyddio'r Gymraeg. Os hoffech chi siarad Cymraeg yn y cyfarfod, gofynnwn i chi roi gwybod i ni erbyn hanner dydd ddau ddiwrnod cyn y cyfarfod

AGENDA

1.	YMDDIHEURIADAU
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Derbyn ymddiheuriadau am absenoldeb.

2.	DATGANIADAU O DDIDDORDEB
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Derbyn datganiadau o ddiddordeb gan Aelodau.

3.	DATGANIAD O CHWIPIAU PLAID
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Derbyn datganiadau ynglyn â gwaharddiad chwip plaid a gyflwynwyd i Aelod mewn perthynas â'r cyfarfod yn unol ag Adran 78 (3) Mesur Llywodraeth Leol 2001.

(D.S: atgoffir yr Aelodau, dan Adran 78, na all Aelodau sydd wedi derbyn gwaharddiad chwip plaid bleidleisio ar fater gerbron y Pwyllgor.

4.	COFNODION
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Awdurdodi'r Cadeirydd i lofnodi cofnodion y cyfarfod diwethaf a gynhaliwyd ar 12 Medi 2018 ac o'r cyd-gyfarfod gyda'r Panel Craffu Cyllid ar 24 Hydref 2018 fel cofnodion cywir.

(Tudalennau 1 - 14)

5.	SWYDDFA ARCHWILIO CYMRU - ADRODDIAD GWELLA BLYNYDDOL
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Ystyried Adroddiad Gwella Blynyddol Swyddfa Archwilio Cymru.
(Tudalennau 15 - 118)

6.	SWYDDFA ARCHWILIO CYMRU - ADOLYGIAD CRAFFU
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Ystyried Adolygiad Craffu Swyddfa Archwilio Cymru ynghyd ag ymateb y Rheolwyr.
(Tudalennau 119 - 138)

7.	CAU'R CYFRIFON
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Ystyried adroddiad y Pennaeth Gwasanaethau Ariannol.
(Tudalennau 139 - 140)

8.	GOROLWG A RHAGOLYGON ARIANNOL AR 30 MEDI 2018
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Ystyried adroddiad yr Aelod Portffolio ar faterion Cyllid.
(Tudalennau 141 - 154)

9.	ADRODDIAD CYFALAF
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Ystyried adroddiad yr Aelod Portffolio ar faterion Cyllid.
(Tudalennau 155 - 160)

10.	RHEOLI RISG
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Ystyried adroddiad y Swyddog Rheoli Risg.
(Tudalennau 161 - 176)

11.	GWEITHREDU PROSIECT SYSTEM GYLLID NEWYDD
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Derbyn diweddariad llafar ar weithredu'r system gyllid newydd.

12.	RHEOLI'R TRYSORLYS
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Ystyried adroddiad yr Aelod Portffolio ar faterion Cyllid.
(Tudalennau 177 - 196)

13.	RHAGLEN WAITH
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To consider the forward work programme.
(Tudalennau 197 - 202)

14.	GOHEBIAETH
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To consider any items of correspondence which, in the opinion of the Chair, is of sufficient urgency to warrant consideration.

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

MINUTES OF A MEETING OF THE AUDIT COMMITTEE HELD AT COUNCIL CHAMBER - COUNTY HALL, LLANDRINDOD WELLS, POWYS ON WEDNESDAY, 12 SEPTEMBER 2018

PRESENT

County Councillors JG Morris (Chair), J Charlton, L V Corfield, M J Dorrance, D R Jones, K Lewis, WD Powell, E Vaughan, A Williams and J M Williams

Councillors in Attendance: County Councillors P Roberts, Chair, Learning, Skills and Economy Scrutiny Committee and G Williams, Chair, Health, Care and Housing Scrutiny Committee

Cabinet Portfolio Holders in Attendance; County Councillor A W Davies

Officers: David Powell, Deputy Chief Executive, Jane Thomas, Head of Financial Services, Stephen Caple, Deputy Head of Financial Services, Dan Paley, Financial Reporting and Policy Accountant and Ann Owen, Treasury Manager

Officers in Attendance: Messrs P Pugh, A Veale and J Evans, WAO and Ian Halstead, SWAP

1. APOLOGIES

Apologies for absence were received from County Councillors M Barnes, B Baynham, Mr J Brautigam (Vice-Chair), E Durrant, M J Jones, K Laurie-Parry, D A Thomas, R G Thomas and T J Van-Rees

2. DECLARATIONS OF INTEREST

County Councillor M Dorrance declared a personal interest in item 18, Brecon Theatre as the Theatre was in his ward.

3. DISCLOSURE OF PARTY WHIPS

There were no disclosures of party whips.

4. MINUTES

The Chair was authorised to sign the minutes of the previous meeting, held on 6 July 2018 as a correct record.

Items 13 and 14 were discussed at this point on the agenda.

5. STATEMENT OF ACCOUNTS

5.1. Closure of Accounts

Documents:

- Report of the Head of Financial Services

Discussion:

- A workshop had been held recently to brief Members on the changes that had been made between their consideration of the draft Statement of Accounts and the final version
- A project management approach continues to be used
- The Committee have previously questioned the capacity within the Team, particularly in relation to earlier closing, and the Head of Financial Services reported that an ongoing training plan was in place which added to the resilience of the Team and allowed greater flexibility
- The Accounts were available for public inspection but this opportunity had not been taken up
- There were fewer amendments during the process than had previously been the case
- Challenges for the closure of the 2018/19 accounts will be earlier closure and the implementation of the new finance system – this will be carefully planned and managed

5.2. Audit of Financial Statements Reports

Documents:

- WAO Audit of Financial Statements Report – Powys County Council
- WAO Audit of Financial Statements Report – Powys Pension Fund

Discussion:

- It was noted that it was the Auditor General's intention to provide an unqualified opinion on both sets of Accounts
- The level of materiality had been set at £4.349M for the main accounts and £6.204M for the Pension Fund
- The audit procedures were almost complete but would be ongoing until 25 September 2018
- There were no uncorrected misstatements
- The draft accounts had been of good quality
- Earlier deadlines had been achieved but opportunities remain for further improvements
- A Statutory Recommendation had been made in the 2016 Audit Letter regarding the necessity to ensure savings plans were sufficiently well developed and that the MTFs should be reviewed. Given the level of savings that are not achieved the robustness of the initial plans must be questioned. The Head of Financial Services reported that processes have improved. Those savings that have not been achieved are being considered by Cabinet. Following initial discussions with Cabinet over future savings plans, full business cases and impact assessments are now being prepared.
- The WAO reserve the right to reconsider the Authority's decision regarding the Minimum Revenue Position
- There had been an imbalance on the trial balance and, whilst this was not a significant amount, this should not occur
- The WAO were discussing with officers the earlier closing of the 2018/19 accounts

- With reference to the Pension Fund, one recommendation has been made – to put in place a process which automatically updates changes in contribution rates due to a change in circumstances.
- The WAO thanked officers for their efforts during the auditing process. Early closure was still a challenge but improvements had been made and the WAO would work with officers to overcome these challenges
- The Chair reported that a useful joint meeting had been held between Audit Committee and the Pensions and Investment Committee to improve understanding of each other's roles.

Outcome:

- **The WAO Financial Statements Reports be noted**

5.3. Letters of Representation

Documents:

- Letter of Representation regarding the 2017-18 financial statements
- Letter of Representation regarding the 2017-18 Pension Fund financial statements

Outcome:

- The Letters of Representation were noted

5.4. Statement of Accounts

Documents:

- Statement of Accounts 2017/18 (including the Annual Governance Statement)

Outcome:

- **The Chair was authorised to sign the Statement of Accounts 2017/18 for both the Authority and Pension Fund**
- **The Statement of Accounts 2017/18 would be published by 30 September 2018**

6. BUDGET MONITORING REPORT

Documents:

- Report of the Portfolio Holder for Finance

Discussion:

- Two forecasts are now included within the report – one is the expected position and one the position including those savings where there is a high expectation of achievement
- Officers were asked what was the current level of unachieved savings – there was £1.7M identified by the Income and Cost Improvement Board and £2.2M within Children's Services. These savings will be reassessed as part of the current budget process but could lead to additional pressures within the budget.
- Members were also concerned that a school's deficit is written off if the school closes – this has to be absorbed elsewhere
- The Section 151 Officer reminded the Committee that if a service agrees a saving, then this must be delivered or found from elsewhere

- The Committee were of the opinion that the Children's Services and Delegated Schools budgets were significant risks for the Authority
- The report had already been considered in greater detail in the Finance Scrutiny Panel

Outcome:

- **The report was noted**

7. CAPITAL REPORT

Documents:

- Report of the Portfolio Holder for Finance

Discussion:

- Projects are on track
- 42% of the budget remains to be committed
- No major risks have been identified
- Two virements have been identified

Outcome:

- **The report was noted**

8. INTERNAL AUDIT

Documents:

- SWAP Internal Audit Activity – 1 April to 31 July 2018

Discussion:

- 61% of projects have been completed or started in the first four months of the financial year
- Recommendations are prioritized as follows
 - Priority 1 – fundamental
 - Priority 2 - important
 - Priority 3 - merits attention
- Under the previous scrutiny structure, an Internal Audit Working Group had considered adverse reports – Members asked how this was to be addressed under the new structure. There were two options, firstly to bring those reports to Audit Committee for consideration or secondly to establish a working group arrangement which reports to the Committee. The Working Group had worked well and both the Chair and Portfolio Holder agreed that it allowed more in depth scrutiny of the issues. It was also noted that the structure of scrutiny was to be reviewed to ensure it was fit for purpose and that this matter should be considered as part of that process.

County Councillor K Lewis left the meeting at 3.50

- Members asked when audits of Freedom Leisure contract management and functionality of Heart of Wales Property Services would be available – the Freedom Leisure report was substantially complete and it was likely

that the final report would be released within the month. The audit brief was being developed for the HOWPS review and this would not be complete for three months.

Outcome:

- **The report was noted**

9. WAO - TRANSFORMATION REVIEW

Documents:

- Project Brief – Review of Powys County Council's Organisational Transformation and Efficiency Savings Programmes

Discussion:

- The fieldwork has been completed for part one of the review which covers the planning and arrangements sitting behind transformation
- Conclusions are being formulated and will determine the way forward
- Phase two will consider progress made against the issues and results will be available during the fourth quarter of this financial year or the first of the next financial year
- The WAO will not involve scrutiny or Audit in the discussions as this will take place at a political and administrative level
- Audit Committee will monitor progress
- The Committee asked whether the Council had had any involvement in setting the questions and were advised that this was not appropriate. WAO are seeking assurance that the Authority is making the appropriate progress.

Outcome:

- **The Project Brief was noted**

10. CIPFA FINANCIAL MANAGEMENT MODEL UPDATE
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Documents:

- None

Discussion:

- Audit Committee had previously considered the brief for the CIPFA Financial Management Model

County Councillor J Charlton left the meeting at 4pm

- A survey had been rolled out for completion and interviews have taken place
- Initial feedback will be provided to Management Team

Outcome:

- **The report was noted**

11.	NEW FINANCE SYSTEM - PROJECT IMPLEMENTATION
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Documents:

- Report of the Deputy Head of Financial Services

Discussion:

- A project is ongoing to upgrade the finance system
- The implementation phase is commencing and workshops are underway
- Future Audit Committees will receive updates on the progress of the project
- Members noted that the data will be stored externally and asked whether there was any risk to this – security is in place and most of the data is outside of the GDPR regulations
- Internal Audit had previously considered a review into the safety of data but this had concentrated on the IT side. There had been some issues around rigour but these had been addressed and there were no concerns at present.
- The new system will replace e-financials but will not include council tax
- The system will improve interfaces and the movement of data will be more effective with much less manual intervention

Outcome:

- **The Committee will receive updates on the implementation of the new system**

12.	WORK PROGRAMME
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Documents:

- Scrutiny Work Programme

Outcome:

- **The Finance Scrutiny Panel be added to the work programme**

13.	ACCESS TO INFORMATION
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RESOLVED to exclude the public for the following item of business on the grounds that there would be disclosure to them of exempt information under category 3 of The Local Authorities (Access to Information) (Variation) (Wales) Order 2007).

14.	BRECON THEATRE
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The Committee was briefed on the issues surrounding an urgent decision which needed to be taken and that the Chairs of Scrutiny Committees (including Audit) had waived their right to call in the decision.

Members debated the need for confidentiality but were advised that on this occasion, the information given outweighed the public interest.

The Committee returned to public session

The Chair formally reported that he had been asked to waive the Committee's right to call in the decision of the Portfolio Holders given the urgency of the situation. However, he had been concerned at the lack of information available to him and that a press release had been issued confirming financial support to the Theatre prior to his having been asked.

The Portfolio Holder for Finance was asked if he and the Portfolio Holder for Highways, Recycling and Assets had had sufficient information to enable them to undertake due diligence in making their decision. The Portfolio Holder for Finance confirmed that they had.

The Theatre was thought to benefit the area by £1.5M per annum. However, the Audit Committee sought further information relating to the structural review, a valuation of the asset, the status of the lease and the level of risk of the Arts Council for Wales and EU Regional Fund requiring repayment of grants. They also questioned whether the funding would impact any other capital or revenue project of the Council.

Outcome:

- **The Committee was informed of the urgent request made of the Chair**
- **Further scrutiny may be appropriate and would be agreed and allocated by the Joint Chairs and Vice Chairs Steering Group in due course.**

County Councillor JG Morris (Chair)

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Public Document Pack

Joint Audit Committee and Finance Scrutiny Panel – 24 October 2018

MINUTES OF A JOINT MEETING OF THE AUDIT COMMITTEE AND FINANCE SCRUTINY PANEL HELD AT COUNTY HALL, LLANDRINDOD WELLS, POWYS ON WEDNESDAY, 24 OCTOBER 2018

PRESENT

County Councillors JG Morris (Chair), B Baynham, J Charlton, M J Dorrance, E Durrant, J Gibson-Watt, D R Jones, M J Jones, K Lewis, N Morrison, WD Powell, P Roberts D A Thomas, R G Thomas, T J Van-Rees, E Vaughan, A Williams, G I S Williams J M Williams and Mr J Brautigam

Cabinet Portfolio Holders In Attendance: County Councillor A W Davies

Officers: Nigel Brinn, Ian Halstead, David Powell and Jane Thomas

Other Officers In Attendance: Messrs P Pugh and A Veale, WAO

1. APOLOGIES

Apologies for absence were received from County Councillors M Barnes, L V Corfield and K Laurie-Parry

2. DECLARATIONS OF INTEREST

There were no declarations of interest.

3. DISCLOSURE OF PARTY WHIPS

There were no disclosures of party whips.

4. REVIEW OF 2017/18 BUDGET OUTTURN AND FUNDING FLEXIBILITIES

Documents:

- Report of the Portfolio Holder for Finance
- Financial Overview and Forecast as at 31 August 2018

Discussion:

- The Chair explained that he had called a joint meeting of the Audit Committee and Finance Scrutiny Panel regarding concerns that there was an overspend projected at year end. Any overspend affects the following year's budget. Some services perform within budget others do not and this poses a real risk to the Authority. Ultimately the Committee need assurance that the budget is managed.
- The Deputy Chief Executive and Section 151 Officer had had discussions with the Chair regarding a comparison of the overspend at this point in time as compared with to the same period in the previous year.
- As at the end of August an overspend of £5.82M was forecast for year end. If this is the case at year end, the overspend will be met from reserves. The Deputy Chief Executive assured the Committee that the Authority would not go 'broke'. However, the effect on the financial

- stability of the Authority in the medium term would need to be considered given the pressure faced by the Council.
- The overspend was remarkably similar to that forecast in August 2017. In the last financial year, the budget balanced at year end due to additional grant funding from the Welsh Government. By year end it had also been possible to make a contribution to reserves.
 - The Committee questioned whether the Authority might find itself in a similar position at the end of the current financial year. There was some flexibility in that capital receipts could be used for revenue expenditure classified as 'transformational'. This is a fundamental change to a key accounting principle. This could support issues around change, including redundancy costs and is available until the end of the 20121/22 financial year.
 - The Council has reserves of £28.3M including specific reserves such as schools and the Housing Revenue Account (HRA)
 - Members also questioned the additional contributions agreed to be made to the Pension Fund and what the likely effect on Council Tax would be
 - The Portfolio Holder indicated that the level of Council Tax was still under consideration. There were no guarantees of additional funding from the Welsh Government and the Authority must remain prudent. Cash reserves were low as a decision had been taken to use cash reserves rather than borrowing to support the Council's budget.
 - The Deputy Chief Executive reminded Members of the difference between balance sheet reserves and cash reserves. It is likely that planned borrowing will recommence shortly. There would be no additional contributions to the Pension Fund until 2020. The Pension Fund is now 90% funded following gains on the stock market. A Triennial Actuarial Review was due next year to be implemented in 2020. Funding to the Pension Fund will be determined by the Actuary.
 - It was confirmed that 'The Floor' was likely to be triggered this year – this ensures that there is a limit to the reduction in Welsh Government Funding in the settlement
 - It was noted that the Authority would not be bankrupt in the current year, but Members were concerned that this could happen in future years – this could happen if the Council does not change. There has been transformation over previous years but this must be accelerated. There would be some difficult decisions to be made. The Deputy Chief Executive commented that we were in effect still funding what could be viewed as 'yesterday's' Council and we need to fund tomorrow's Council.
 - Members were aware that there had been a change to the Minimum Revenue Policy (MRP) which could have an impact in the longer term. The Head of Financial Services confirmed that the policy had changed which resulted in lower contributions and that this had been backdated. This was being used to support the revenue budget but would result in pressures in years 4 and 5. The WAO had been asked to comment on the proposal to adjust the MRP. They noted that by amending the policy there was a change to the profile of financing. Early benefits would be achieved but there would be a need to pay more in the longer term. This is of concern from a finance point of view, but the Authority was entitled to make this decision.
 - In using capital receipts for revenue purposes, is the Authority clear on eligibility and that service change did not necessarily equate to

transformation? A directive has been issued which clearly sets out criteria and categories. This is quite specific.

- Do reserves include liabilities – the Portfolio Holder for Finance confirmed that this was the case
- The Chair suggested that a programme of capitalisation should be set out early in the year to enable decisions to be made regarding the revenue budget. The Head of Financial Services informed the Committee that a Management of Change Budget was established and that there was an opportunity for projects within that to be paid for by capital receipts.
- A number of Audit Committee Members had attended a training session organised by the South West Audit Partnership (SWAP) the day before the Committee. They had been alerted to the fact that reserves could disappear rapidly in certain circumstances. The training had also highlighted issues in Northamptonshire County Council which had led to severe financial pressures – some of these elements, such as failure to deliver savings, were also relevant to Powys.
- The Portfolio Holder confirmed that Powys must deliver services within the budget but emphasised the need to transform. He confirmed that Powys maintained a safe level of General Reserve at a policy level of 3% of Revenue Budget.
- Officers were asked to what extent capital receipts could be used during the current and subsequent years. To the end of 2017/2018 £1.5M had been used. A decision was still needed for the current year. The Council must also form a view regarding the scale of use of transformation.
- The financial management of councils was becoming more complicated. The Welsh Government have indicated that Powys County Council will receive a 1% cut to its settlement for next year (after allowing for the 'Floor'). Significant and complex financial management is required including the flexible use of capital receipts. No target has been set for capital receipts this year but this will be needed going forward.
- The Committee noted the need for a policy on Capital disposals and sought clarification of the current position – the Deputy Chief Executive confirmed that work had started and that there was the potential to set the budget using capital receipts. It was expected that the Policy would be available with the budget papers
- The Vice Chair had produced a series of statistics from Stats Wales – the Finance Scrutiny Panel had been advised that it was thought that the number of Looked After Children (LACs) had peaked at 208 but the most recent figures show that this has risen to 232. Was this now considered to have peaked? The Portfolio Holder for Finance indicated that the numbers had been relatively static since the spike around May 2018. As these numbers were driving expenditure, the Committee asked whether the growth had been accounted for. The Director of Social Services had also informed the Panel that work would be carried out to reduce the numbers of children out of county where this was possible. The adverse Childrens Services Inspection report had to be addressed. It was possible that the service may take up to three years to stabilize.
- The Deputy Chief Executive stated that the latest figures showed there were 235 LAC. He acknowledged that this was a significant pressure on the budget. However, steps were being taken to write out existing children's services savings targets and reminded Members that if a child was assessed as having need, then that child's care would be funded.

There was a lack of placements in the area. It was noted that the average cost of placements had reduced from £4200 in August to £3800 in September 2018.

- There were concerns that some service areas had year on year overspends – budgets were not being managed. Adjusting the MRP resulted in one off savings and had been used to ‘fire-fight’. This will have to be paid for and the Authority cannot depend on ‘windfalls’ at year end to balance the budget.
- Concerns had previously been expressed regarding a number of high risk savings. Since 2015 there are £7M of undelivered savings – of this £4M are considered high risk with £2.2M of that within Childrens Services. This is not good budget management. If such savings are not achievable, savings which are achievable must be built in.
- The Portfolio Holder for Finance noted that these savings had included income targets which had been set by the previous Council. These savings will have to be dealt with and proposals to write out some of these savings are in hand.
- The Deputy Chief Executive noted that the Council had managed to maintain services but that this may no longer be possible.
- The Chair noted the adverse comments received by Scrutiny and Audit when risks had been identified
- What assumptions are made regarding the value of non-cash reserves including housing stock and the county farms estate. It was suggested there may be a fall in the Welsh housing market of 15-20% and there may be and drop in land prices. The Deputy Chief Executive reminded the Committee that the HRA was ring-fenced. The County Farms Estate was not featured in the budget. The Authority did not have a credit rating per se, but could borrow from the Public Works Loan Board (PWLB), which afforded some protection from risk.
- Members were concerned that the true definition of transformation was unclear and that it was not actually happening. There has been no scrutiny of business cases for transformation or business plans for future service delivery. The Committee needed assurance that transformation was backed by good planning, good scrutiny and fed through the system
- The Portfolio Holder for Finance reiterated his wish to have a longer term view of the budget and avoid sudden reactions which will impact in the longer term. He agreed that robust cases needed to surround any change and that the Council should have a clear view of where it aims to be.
- Transformation had been used frequently. However, the Council could no longer afford to run as it had been. It must be changed and some of this work will be transformational. There will be a change in the way people work as more technology is used. Scrutiny is valuable and must be used effectively. Some decisions that will be made will be difficult for the public to accept.
- It was noted that a number of service changes which had been due to deliver savings had not materialised. The processes for developing business cases did not appear to be sufficiently robust.
- It was noted that the WAO had made a statutory recommendation to ensure a more robust process was in place to deliver savings
- The Chair reminded Members that the Committee was charged with assuring the financial security of the Council. There were very able people within the Council and he sought assurance that the Section 151

Officer and Head of Financial Services were adequately supported. He reminded the meeting of the position of Northamptonshire County Council and agreed to circulate the training material he had received. Although Powys was not in the same position as Northamptonshire, Powys needed to act sooner rather than later to prevent a similar position occurring. Scrutiny and Audit were here to assist the Cabinet in moving forward.

Outcomes:

- **A report would be prepared for submission to Cabinet – a draft would be agreed with the Committee, Portfolio Holder and officers prior to submission**
- **The training materials provided by SWAP would be circulated and a similar presentation would be made to County Council**

County Councillor JG Morris (Chairman)

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WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Annual Improvement Report 2017-18

Powys County Council

Issued: October 2018

Document reference: 817A2018-19



This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by Colin Davies, Jeremy Evans and Justine Morgan under the direction of Jane Holownia and Huw Rees.

**Adrian Crompton
Auditor General for Wales
Wales Audit Office
24 Cathedral Road
Cardiff
CF11 9LJ**

The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office Board, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the National Assembly.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils. He also conducts local government value for money studies and assesses compliance with the requirements of the Local Government (Wales) Measure 2009.

Beyond local government, 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.

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.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

This document is also available in Welsh.

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Summary report

2017-18 performance audit work

- 1 In determining the breadth of work undertaken during the year, we considered the extent of accumulated audit and inspection knowledge as well as other available sources of information including Powys County Council's (the Council) own mechanisms for review and evaluation. For 2017-18, we undertook improvement assessment work at all councils. We also undertook work at all councils in relation to the Wellbeing of Future Generations Act, a service-user-perspective themed review and a review of overview and scrutiny arrangements. At some councils, we supplemented this work with local risk-based audits, identified in the Audit Plan for 2017-18.
- 2 The work carried out since the last Annual Improvement Report (AIR), including that of the relevant regulators, is set out in [Exhibit 2](#).

The Council is not meeting its statutory requirements in relation to continuous improvement

- 3 Following a critical report by Care Inspectorate Wales (CIW) relating to their inspection of Children's Services, the Cabinet Secretary issued a warning notice requiring the Council to publish an improvement plan and establish an Improvement and Assurance Board. The Improvement Board has an independent chair and is supported by Welsh Local Government Association (WLGA) advisors. The Board is tasked with overseeing the progress the Council is making in delivering its improvement plan.
- 4 In May 2018 CIW published their report on Adult Services, as a result the Council extended its improvement plan to cover this area and bring this activity into the Improvement and Assurance Boards remit.
- 5 In his annual audit letter issued in January 2018 ([Appendix 3](#)) the Auditor General stated that in his view the Council did not have sufficient appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources, and the current and future financial position represents a significant challenge. He issued a statutory recommendation covering this area. ([Exhibit 1](#)).
- 6 As a consequence, based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Council is not complying with the requirements of the Local Government Measure (2009).

Recommendations and proposals for improvement

- 7 Given the wide range of services provided by the Council and the challenges it is facing, 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.
- 8 During the course of the year, the Auditor General issued a statutory recommendation and made a number of proposals for improvement and these are repeated in this report. We will monitor progress against them and relevant recommendations made in our national reports ([Appendix 2](#)) as part of our improvement assessment work.

Statutory Recommendation

- 9 The table below contains the statutory recommendation issued by the Auditor General.

Exhibit 1 – statutory recommendation

Statutory Recommendation	
R1	<p>In setting a balanced budget, the Council must ensure that all savings plans are sufficiently well developed for inclusion in the annual budget.</p> <p>The Council must also act immediately to update its Medium Term Financial Strategy to enable the Council to live within its means going forward, and design and implement actions to address the weaknesses identified and reported by me in respect of its corporate and financial arrangements.</p>

Audit, regulatory and inspection work reported during 2017-18

Exhibit 2 – audit, regulatory and inspection work reported during 2017-18

Description of the work carried out since the last AIR, including that of the relevant regulators, where relevant.

Issue date	Brief description	Conclusions	Proposals for improvement
August 2018.	<p>Service User Perspective Review</p> <p>To understand the 'service user perspective' at every Council within Wales. In Powys County Council, we reviewed the Housing service. In particular, whether the Council was using the experiences and aspirations of service users to inform the design and delivery of services for the Welsh Housing Quality Standard.</p>	<p>The Council is making progress towards achieving the Welsh Housing Quality Standard for many components and most Council tenants are satisfied with the quality of the service and their homes, but it needs to accelerate its approach to ensuring tenants homes are warm.</p> <ul style="list-style-type: none"> the Council is making progress towards achieving the Welsh Housing Quality Standard for many components by 2020, but it needs to accelerate its approach to ensuring tenants homes are warm; tenant engagement has worked well in the past but now needs to be built upon and strengthened to gather more views; and most Council tenants are very satisfied with the quality of the service and their homes. 	<p>P1 The Council should urgently strengthen the future delivery of the WHQS by accelerating its development of a comprehensive strategy and action plan to address the issues facing tenants who are living in cold homes.</p> <p>P2 The Council should work with tenants to strengthen its approach to assisting people experiencing problems with condensation and damp.</p> <p>P3 The Council should strengthen its approach to engagement and explore more innovative ways to reach the many people who are hard to reach due to the geographical challenges of living in Powys.</p>

Issue date	Brief description	Conclusions	Proposals for improvement
July 2018	<p>‘Scrutiny: Fit for the Future?’ Review</p> <p>Review of how well placed council’s overview and scrutiny functions are to respond to current and future challenges.</p>	<p>The Council has been slow to develop its scrutiny arrangements and there are fundamental areas it needs to address if scrutiny is to operate effectively and have impact in the face of future challenges.</p> <p>We came to this conclusion because:</p> <ul style="list-style-type: none"> • the Council’s governance framework does not help to create a supportive environment for scrutiny to operate effectively and to have impact; • the Council recognises that its scrutiny function needs to improve. There is scope for improvement in how scrutiny is planned, how scrutiny meetings are conducted and how forward work programmes are developed; and • the Council does not evaluate the impact of overview and scrutiny and cannot demonstrate its overall effectiveness. 	<p>P1 Be specific in the reports presented to overview and scrutiny why the committee is receiving the information and how this relates to the role of the scrutiny committee.</p> <p>P2 Provide more training specifically for Chairs and Vice Chairs of overview and scrutiny committees to enable them to be more effective in their role.</p> <p>P3 Make arrangements for further training for scrutiny committee members on the Well-Being of Future Generations (WFG) Act in order to help embed WFG considerations into the Council’s decision-making processes</p> <p>P4 Strengthen arrangements for public and other stakeholder engagement in overview and scrutiny.</p> <p>P5 Clarify the arrangements for feeding back overview and scrutiny committees’ views to Cabinet and for Cabinet to respond to recommendations made.</p> <p>P6 Put in place arrangements for assessing the effectiveness and impact of overview and scrutiny.</p>

Issue date	Brief description	Conclusions	Proposals for improvement
January 2018	Follow-up review of Powys County Council whistleblowing and grievance policy arrangements	<ul style="list-style-type: none"> • The Council's whistleblowing policy has improved since our last review and complies with recommended good practice • The Council signposts its whistleblowing policy to staff but the Council may wish to consider more formal training arrangements • The Council withdrew its Fairness and Dignity at Work policy in October 2015 but the Grievance Policy is not clear on how to raise a complaint in respect of bullying and harassment. 	None.
March 2018	Observations of the HTR Commissioning Project	<ul style="list-style-type: none"> • In our observation role we did have concerns about aspects of the project but were ultimately reassured by the level of challenge shown; and • Certain governance aspects of the project could have been more robust. 	None

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Issue date	Brief description	Conclusions	Statutory recommendation
January 2017	<p>Annual Audit Letter 2016-17</p> <p>Letter summarising the key messages arising from the Auditor General's statutory responsibilities under the Public Audit (Wales) Act 2004 and his reporting responsibilities under the Code of Audit Practice. The Annual Audit Letter is in Appendix 2 of this report.</p>	<p>The Council complied with its responsibilities relating to financial reporting but did not have sufficient appropriate arrangements in place to secure economy, efficient and effectiveness in its use of resources.</p> <p>I issued a certificate confirming that the audit of the accounts has been completed on 22 November 2017.</p> <p>My work to date on certification of grant claims and returns has not identified significant issues that would impact on the 2017-18 accounts or key financial systems.</p> <p>The Council did not have sufficient appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources, and the current and future financial position represents a significant challenge.</p>	<p>In setting a balanced budget, the Council must ensure that all savings plans are sufficiently well developed for inclusion in the annual budget. The Council must also act immediately to update its Medium Term Financial Strategy to enable the Council to live within its means going forward, and design and implement actions to address the weaknesses identified and reported by me in respect of its corporate and financial arrangements.</p>

Issue date	Brief description	Conclusions	Proposals for improvement
Improvement planning and reporting			
April 2017	<p>Wales Audit Office annual improvement plan audit</p> <p>Review of the Council's published plans for delivering on improvement objectives.</p>	The Council has complied with its statutory improvement planning duties.	None
November 2017	<p>Wales Audit Office annual assessment of performance audit</p> <p>Review of the Council's published performance assessment.</p>	The Council has not complied with its statutory improvement reporting duties. The Local Government Measure 2009 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 Council published its assessment on 20 November 2017.	None

Issue date	Brief description	Conclusions	Recommendations
Reviews by inspection and regulation bodies			
CIW July 2017	<u>Inspection of Children's Services</u>	<p>The implementation of the recommendations of an external review further exacerbated failings in children's services, and destabilised the workforce to a significant extent and as a result placed children at risk of harm.</p> <p>Children and young people do not appear to be well served by the current arrangements for accessing support services in Powys. A lack of assessment, care and support planning combined with an inconsistent approach to working in line with the child sexual exploitation guidance and the management of sexual exploitation and risk assessment framework process placed children at risk of harm. In addition, child protection processes did not always comply with statutory guidance with delays in investigations and assessments being undertaken and completion of statutory visits.</p> <p>There is evidence of missed opportunities to safeguard children, despite requests for support. Risks were not being appropriately and robustly assessed and there is no effective system to identify and manage risks.</p>	<p>Immediate priority (within 1 month):</p> <p>Case management</p> <ol style="list-style-type: none"> 1 The local authority must ensure assessments are carried out within statutory timescales and are undertaken in partnership with children and families. <p>Staffing</p> <ol style="list-style-type: none"> 2 Arrangements for team managers and senior practitioners should be reviewed to ensure capacity to effectively and consistently provide management and leadership oversight and testing of decision making along with support and direction for frontline staff. 3 The local authority and senior managers should take steps to improve the frequency, consistency and quality of supervision for front line staff; an assurance mechanism must be implemented to ensure compliance with expectations and quality of decision making, recordkeeping and reporting. 4 Caseloads monitoring is required to ensure there is sufficient capacity for workers to engage effectively with children and their families.

Issue date	Brief description	Conclusions	Recommendations
Reviews by inspection and regulation bodies			
CIW July 2017	<u>Inspection of Children's Services</u>	<p>The vision and strategic direction for children's services has been set out by the interim leadership team, together with members of the operational management team. However, this vision requires significant corporate and political support for it to be delivered. There is a lack of awareness of its content outside of children's services and considering its reliance on the full support of council this is of concern.</p> <p>There are serious performance issues with front line services, however these arose because of instability in management, poor and confused direction and weak governance. Without effective support and capacity to undertake the work frontline staff cannot be expected to undertake the complex work required in children's social services.</p> <p>Inspectors noted the commitment of the staff, who have shown resilience and professionalism whilst coping with significant changes, and depletion in support services and leadership capacity. We have seen real commitment to protect and respond to safeguarding children in very difficult circumstances. Staff have been mutually supportive through challenging and difficult times and have shown us their real desire to move on.</p>	<p>Leadership</p> <p>5 The chief executive must immediately provide strong corporate support for children's services to ensure service improvements are prioritised and the pace of improvement accelerated and sustained.</p> <p>6 The council leader and the portfolio member must provide strong political support to children's services and take the necessary steps to put in place well informed and effective scrutiny to make sure service improvements are made quickly, effectively and are sustainable.</p> <p>Assurance</p> <p>7 An assurance mechanism must be implemented as a priority to ensure compliance with legislation, statutory guidance and protocols with regard to looked after children and children at risk.</p>

Issue date	Brief description	Conclusions	Recommendations
Reviews by inspection and regulation bodies			
CIW July 2017	<u>Inspection of Children's Services</u>		<p>Medium term priority (within 4 months):</p> <p>Case management</p> <p>8 The quality of assessments and plans must be improved to ensure they are consistently of a good quality, with a clear focus on the needs, risks, and strengths of children and families, and that desired outcomes, timescales and accountabilities for actions are clear.</p> <p>9 The quality and consistency and timeliness of record keeping must be improved; all staff and managers must ensure that records are of good quality, up to date and systematically stored.</p> <p>10 The local authority must clarify the role and purpose of Powys People Direct (PPD) within the overall provision of information, advice and assistance and must ensure staff and partners have clear guidance to support decision making. The local authority must ensure that all staff are suitably trained, skilled and supported to deliver this role. A clear protocol is required between PPD and the Emergency Duty Team to ensure cases are not lost between services.</p> <p>11 The local authority must implement an effective model of assessment to support its interventions with families, which is understood by all staff and partners, underpinned by robust training and development.</p> <p>12 The local authority must ensure its fostering service provides consistent support, training and guidance to foster carers in order to improve the quality and availability of placements.</p> <p>13 The local authority must ensure that all care and support plans have a clear focus on outcomes for children, which incorporate the voice of the child.</p>

Issue date	Brief description	Conclusions	Recommendations
Reviews by inspection and regulation bodies			
CIW July 2017	<u>Inspection of Children's Services</u>		<p>Staffing</p> <p>14 The local authority must ensure every employee understands the legislative and statutory requirements in safeguarding children and action is taken to address poor performance.</p> <p>15 A robust workforce strategy should be developed as a matter of urgency to include short, medium and long term plans for recruitment and retention of social work and senior staff. Permanent appointments are required in key posts as a high priority to provide resilience and stability to the service.</p> <p>Interagency/partnership working</p> <p>16 Effective multi-agency quality assurance systems and training arrangements should be established to ensure thresholds for assessments to statutory children's services are understood by staff and partners and are consistently applied; this should include multiagency child protection decision making protocols.</p> <p>17 There is a need for clear strategic direction supported by operational protocols to enable partners to have a clear understanding of the purpose, structure and decision making in children's services. Leadership</p> <p>18 There should be an early consideration of the impact of the changes made as a result of the commissioned review and whether decisions made as part of the review should be revisited.</p> <p>19 Elected members need to be clear about the vision for children's services and recognise this as a high risk area for the council. To support this members need clarity about, and training to understand, the direction of services and the particular risks inherent in children's services.</p>

Issue date	Brief description	Conclusions	Recommendations
Reviews by inspection and regulation bodies			
CIW July 2017	<u>Inspection of Children's Services</u>		<p>20 The chief executive with support from the statutory director of social services must make arrangements to ensure all elected members have a clear understanding of, and are able to fulfil, their corporate parenting responsibilities</p> <p>21 The local authority needs to undertake further work in relation to implementing the requirements of the Social Services and Wellbeing (Wales) Act 2014 so there is understanding at a corporate level in relation to the delivery of information, advice and assistance. Assurance</p> <p>22 Performance management and quality assurance arrangements, including scrutiny of service demand and routine auditing of the quality of practice needs to be embedded so that managers at all levels have timely, relevant and accurate performance and quality assurance information.</p> <p>23 At a corporate level the local authority must establish systems and structures effectively monitor and evaluate progress within children's services'.</p> <p>24 The consistent application of a quality assurance system must be implemented to ensure families who are referred to the Team around the Family service are not subject to drift and delay and to ensure there 10 are targeted plans in place which are reviewed and checked by managers.</p> <p>25 The local authority must strengthen the oversight of the response to complaints to improve reporting and analysis and ensure there is a mechanism to capture lessons learned.</p>

Issue date	Brief description	Conclusions	Recommendations
Reviews by inspection and regulation bodies			
CIW July 2017	<u>Inspection of Children's Services</u>		<p>Longer term priority (within 12 months):</p> <p>Case management</p> <p>26 The local authority must ensure compliance with the active offer of the Welsh language. Interagency/ partner working.</p> <p>27 .A multi-agency child protection protocol (drawing on regionally agreed arrangements) should be implemented to support decision making on the need for assessments in statutory children's services. This needs to be understood by staff and partners and consistently applied. Multiagency quality assurance systems and training arrangements are required to support this.</p> <p>28 The local authority and partners must work together to develop a cohesive approach to the collection and analysis of information about the needs of communities, which includes the views of children and families. This should be used to inform the shaping of strategic plans to achieve effective alignment of service delivery between information, advice and assistance services, the preventative sector and statutory services.</p> <p>Leadership</p> <p>29 Future changes to structure and service delivery need to include consultation with all stakeholders in its shape and development. The change needs to be incremental and with changes implemented at a pace that will ensure the full involvement of staff and young people and ensure children are not placed at risk.</p>

Issue date	Brief description	Conclusions	Recommendations
Reviews by inspection and regulation bodies			
CIW May 2018	<u>Inspection of Adult Service</u>	<p>Some people received good care and support but this was not consistent. Some people faced significant delays in being assessed for care and support and in receiving a service. Significant improvement is required.</p> <p>There was good co-operation between frontline health and social care staff and a range of voluntary sector and community groups.</p> <p>Urgent safeguarding referrals were dealt with swiftly and effectively but there was an unacceptable backlog of safeguarding work at screening and enquiry stages.</p> <p>Inspectors noted the commitment of staff who have shown professionalism whilst coping with many changes and depleted resources</p>	<p>As a priority:</p> <ul style="list-style-type: none"> • senior leaders must continue to provide strong political and corporate support for adult services to ensure service improvements; • ensure all safeguarding enquiries are undertaken within statutory timescales; • ensure clear management oversight and understanding of demand, capacity and prioritisation of workflow within adult safeguarding; • strengthen the existing adult services improvement plan; and • produce a robust workforce strategy including short, medium and long term plans for recruitment and retention of the adult services workforce.

Appendices

Appendix 1 – Status of this report

The Local Government (Wales) Measure 2009 (the Measure) requires the Auditor General to undertake a forward-looking annual improvement assessment, and to publish an annual improvement report, for each improvement authority in Wales. Improvement authorities (defined as local councils, national parks, and fire and rescue authorities) have a general duty to 'make arrangements to secure continuous improvement in the exercise of [their] functions'.

The annual improvement assessment considers the likelihood that an authority will comply with its duty to make arrangements to secure continuous improvement. The assessment is also the main piece of work that enables the Auditor General to fulfil his duties. Staff of the Wales Audit Office, on behalf of the Auditor General, produce the annual improvement report. The report discharges the Auditor General's duties under section 24 of the Measure, by summarising his audit and assessment work in a published annual improvement report for each authority. 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.

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 – Annual Audit Letter

Councillor Rosemarie Harris – Leader / David Powell - Acting Chief Executive
Powys County Council
County Hall
Llandrindod Wells
Powys
LD1 5LG

Reference: AJB356

Date issued: 25 January 2018

Dear David and Councillor Harris

Annual Audit Letter Powys County Council 2016-17

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

The Council complied with its responsibilities relating to financial reporting but did not have sufficient appropriate arrangements in place to secure economy, efficient and effectiveness in its use of resources

It is Powys County Council's (the Council) 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;
- be satisfied that the Council has appropriate 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 28 September 2017, I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Council's and Powys Pension Fund's financial position and transactions. My report is contained within the Statement of Accounts.

The key matters arising from the accounts audit were reported to members of the Audit Committee in my Audit of Financial Statements report on the 22 September 2017, and a more detailed report will follow in due course.

I issued a certificate confirming that the audit of the accounts has been completed on 22 November 2017

My report dated 28 September 2017, highlighted that at that point in time I could not formally conclude my audit until I had completed my consideration of matters brought to my attention by a local authority elector. This matter has now been resolved and I issued my certificate confirming the completion of the audit on 22 November 2017.

My work to date on certification of grant claims and returns has not identified significant issues that would impact on the 2017-18 accounts or key financial systems

My ongoing work on the certification of grant claims and returns has not identified any significant issues to date in relation to the accounts or the Council's key financial systems. A more detailed report on my grant certification work will follow in the spring 2018 once this year's programme of certification work is complete.

The financial audit fee for 2016-17 is currently expected to be in line with the agreed fee set out in the Annual Audit Plan.

The Council did not have sufficient appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources, and the current and future financial position represents a significant challenge

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 under the Local Government (Wales) Measure 2009. In my [Annual Improvement Report](#), I highlighted a number of areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made.

I have concluded that whilst the Council has clearly articulated a strategic ambition to achieve transformational change, its ability to drive the pace of change required is compromised by a lack of capacity and expertise. Strategic workforce planning has been slow in development, and staff resources have been depleted as a result of the Council's response to austerity. New business planning and programme management is placing demands for specialist skills and competencies which are in scarce supply, and the Council has difficulty in recruiting to fill some key positions. A significant proportion of key management positions are now held under interim arrangements.

I have further concluded that given the ambition and pace of its service change programme, there is significant scope for the Council to strengthen its governance arrangements. The findings of our corporate assessment, undertaken in November 2016, were that the Council's scrutiny and decision-making arrangements were neither strategic nor robust. Key decisions around fundamental service change have been predominantly driven by the need to deliver financial savings, with Council policy and service outcomes being less influential. There has been an insufficient clear line of sight, for example through the Cabinet Forward Work Programme, to facilitate appropriate and timely scrutiny. At the time of our assessment relationships between the then Cabinet and Scrutiny function were strained, and scrutiny recommendations were not always valued or appropriately responded to by the then Cabinet. The conduct of Cabinet meetings we observed in November 2016 led to a lack of clarity and consequently transparency with regard to decision-making. It was not clear to us at that time that key officers were providing members with appropriate advice and direction in the circumstances. For some key service changes that we reviewed, the quality of option appraisals was mixed as were the arrangements for engaging with citizens and stakeholders in relation to those proposed changes. Overall, I concluded that there were weaknesses in the sufficiency and timeliness of information made available to members in relation to both scrutiny and decision-making functions of the Council.

In relation to its use of resources, I:

- recommended that the Council strengthen its financial planning arrangements by ensuring that all savings plans are sufficiently well developed for inclusion in the annual budget; forecasting the use of reserves over the medium term financial plan period; and ensuring that the service savings targets set for third party spend, income and cost improvement opportunities can be achieved in planned timescales; and
- reported the need for the Council to increase the pace and scale of change in implementing its 'Schools Organisation Policy, Planning Education Provision', in order to achieve an affordable and sustainable education service.

In October 2017, the Care and Social Services Inspectorate Wales (CSSIW) issued a critical report in respect of the provision of Children's Services within the Council. An independently chaired Children's Services Board is in place and the Council has submitted an improvement plan in response to the recommendations contained within the report. This improvement plan is in the process of being costed. Some of the resource needed has been identified but if the requirements impacting on the current financial year exceed the amount set aside then this could have a further significant impact on the forecast operating deficit for the financial year ended 31 March 2018. In addition, the Council has drafted a Corporate Leadership and Governance Plan.

The Council has contacted the Cabinet Secretary for Local Government and Public Services (the Cabinet Secretary) seeking support under section 28 of the Local Government (Wales) Measure 2009. As a result a formal package of support will be provided.

The Council has acknowledged that it is facing significant financial challenges in the 2017-18 financial year and as at November 2017, the Council anticipated an operating deficit of £4.5 million for the year ended 31 March 2018. The Council has reported that the projected operating deficit is largely due to the combination of unachieved in year (and previous years) savings plans, coupled with service overspends primarily within Adult Social Care and Children's Services.

The Council is currently exploring a range of options to reduce the level of forecast deficit as at 31 March 2018. These include:

- reducing projected spend across services by either not incurring or delaying non-essential expenditure;
- utilising under committed revenue budgets set aside to support transformation and change; and
- reviewing a number of technical accounting options to generate in year revenue.

The Council intends to utilise a combination of the above options to reduce the forecast operational deficit to a balanced position for the financial year to 31 March 2018. Specifically, it intends to utilise the release of non-recurrent savings of £4 million via a planned reduction to the Minimum Revenue Provision (MRP) charge. The projected General Fund reserves position is expected to remain at £8.5 million as at 31 March 2018. In addition to the General Fund, the Council has two specific reserves (Budget Management Reserve £3.6 million and Adult Services Reserve £2.0 million) which are ring fenced to support financial pressures and these specific reserves are projected to amount to approximately £5.6 million as at 31 March 2018.

The Council continues to face significant financial challenges in 2018-19 and beyond. Initially, the Council identified the need to find savings of £8.4 million in 2018-19 but further annual costs pressures have been identified of £8.3 million and £6.8 million for Children's Services and Adult Social Care respectively. Therefore, the Council will need to find savings totalling approximately £23 million in 2018-19.

We understand that plans are in place to deliver a balanced financial budget for the financial year 2018-19. However, a balanced position is primarily dependent on:

- the need to deliver £8 million of efficiency savings;
- the release of non-recurrent savings of £5 million via a planned reduction to the MRP charge; and
- the use of the specific reserve set aside to support financial pressures (Adult Social Care £2 million) and following a review of other reserves, the use of the specific reserve originally set- aside for 21st Century Schools of £5 million.

Given that the Council has acknowledged that it has had difficulty in achieving its planned level of efficiency savings in previous years, this represents a significant risk to the Council. It is imperative that the Council delivers these savings plans and adopts a more robust approach to budgetary control to manage and mitigate the potential for in-year over spends. Both Cabinet and scrutiny committees will need to play a key role in monitoring the delivery of the savings plans.

As outlined above, the Council intends to utilise reserves to support the financial pressures identified in 2018-19. Whilst reserves provide a temporary cushion against financial pressures, they should not be considered as a sustainable medium or longer term solution. In this respect, the Council's General Fund reserve (and any other reserves utilised to support the financial position) will need to be closely monitored to ensure they are maintained at appropriate levels.

Financial pressures continue in 2019-20 with the Council predicting the need to deliver efficiency savings of £17 million.

Given the scale of the future financial challenge, a strategic and transformational approach is required to the way the Council currently delivers its services as it can no longer afford to deliver its services in their current form. In this respect, the Council need to revisit and update their medium term financial strategy to enable it to live with its means going forward.

I have decided to make a Statutory Recommendation to the Council under section 25(2) of the Public Audit (Wales) Act 2004

Having carefully considered the improvements required to the Council's governance arrangements and financial challenges outlined above, I have decided to make a Recommendation pursuant to section 25(2) of the Public Audit (wales) Act 2004 (the Act).

In setting a balanced budget, the Council must ensure that all savings plans are sufficiently well developed for inclusion in the annual budget. The Council must also act immediately to update its Medium Term Financial Strategy to enable the Council to live within its means going forward, and design and implement actions to address the weaknesses identified and reported by me in respect of its corporate and financial arrangements.

In accordance with sections 25 and 26 of the Act, the Council is now required to consider my Recommendation at a meeting within one month of the date of this letter.

Specifically, and in accordance with section 26(5) of the Act, that meeting of the Council should decide:

- 1 whether the report requires the Council to take any action;
- 2 whether the Recommendation made is to be accepted; and
- 3 what action, if any, is to be taken in response to the Recommendation.

As soon as is practicable after the meeting, I should be notified of the decisions made by the Council and provided with a notice summarising the decisions which, once approved by me, must be published in a local newspaper circulating in the Council's area, subject to the exceptions in relation to confidential issues contained in section 26(5) of the Act. The Council is also required to publish the recommendation and its decisions in relation to it.

Yours sincerely



Anthony Barrett

Assistant Auditor General

For and on behalf of the Auditor General for Wales

Appendix 3 – National report recommendations 2017-18

Exhibit 3 – national report recommendations 2017-18

Summary of proposals for improvement relevant to local government, included in national reports published by the Wales Audit Office, since publication of the last AIR.

Date of report	Title of review	Recommendation
June 2017	<u>Savings Planning in Councils in Wales</u>	The report did not include any recommendations or proposals for improvement, although proposals for improvement were included in local reports issued to each Council.
October 2017	<u>Public Procurement in Wales</u>	The report contained seven recommendations. Six of the recommendations were for the Welsh Government, one of the recommendations was for public bodies: R3 It was clear from our sampling that some procurement strategies are out of date and there has also been a mixed response to new policy and legislation, such as the Well-being of Future Generations (Wales) Act 2015. We recommend that public bodies review their procurement strategies and policies during 2017-18 and on an annual basis thereafter to ensure that they reflect wider policy and legislative changes and support continuous improvement.
October 2017	<u>Good governance when determining significant service changes – National Summary</u>	The report did not include any recommendations or proposals for improvement, although proposals for improvement were included in local reports issued to each Council. The report was designed primarily to provide insight, share existing practice and prompt further conversations and discussions between councils and other organisations.
December 2017	<u>Local Government Financial Reporting 2016-17</u>	The report did not include any recommendations or proposals for improvement.

Date of report	Title of review	Recommendation
January 2018	How Local Government manages demand – Homelessness	<p>R1 Implementing the Housing (Wales) Act 2014 requires local authorities to develop services which are focussed on preventing homelessness and reducing demand. These are very different to traditional casework led homelessness services, and prevention work requires new skills and early interaction with users and potential users. We found local authorities' progress in revising and strengthening services is variable (paragraphs 1.12 to 1.20). We recommend that local authorities:</p> <ul style="list-style-type: none"> • ensure their staff are sufficiently skilled to deal with the new demands of mediating, problem solving, negotiating and influencing with homeless people; and • review and reconfigure their services to engage more effectively with homeless and potentially homeless people to prevent homelessness. <p>R2 The Welsh Government provided funding to support local authorities to implement the Housing (Wales) Act 2014 and this funding has been critical in enabling new preventative services to be developed. The funding is in place until 2019-20 but authorities need to ensure they use headspace provided by these resources to revise their services to deliver their responsibilities in the future (paragraphs 1.21 to 1.28). We recommend that local authorities review their funding of homelessness services to ensure that they can continue to provide the widest possible preventative approach needed. Reviews should consider use of Supporting People as well as General Council fund monies to support delivery of the authority's homelessness duties.</p> <p>R3 How services are configured and managed at the first point of contact can significantly influence how effective local authorities are in managing and reducing demand. Easy to access services which maximise usage, avoid gate keeping and focus on early solutions can significantly improve the prospects for successful homelessness prevention. We found that some authority point of entry systems are poorly designed which reduces the authority's prospects for early intervention to prevent homelessness from occurring (paragraphs 2.4 to 2.11). We recommend that local authorities:</p> <ul style="list-style-type: none"> • design services to ensure there is early contact with service users; • use 'triage' approaches to identify and filter individuals seeking help to determine the most appropriate response to address their needs; and • test the effectiveness of first point of contact services to ensure they are fit for purpose.

Date of report	Title of review	Recommendation
January 2018	How Local Government manages demand – Homelessness	<p>R4 Establishing clear standards of service that set out what the authority provides and is responsible for is critical to ensuring people know what they are entitled to receive and what they need to resolve themselves. We found that authorities are not always providing clear, concise and good quality information to help guide people to find the right advice quickly and efficiently (paragraphs 2.12 to 2.17). We recommend that local authorities publish service standards that clearly set out what their responsibilities are and how they will provide services to ensure people know what they are entitled to receive and what they must do for themselves. Service standards should:</p> <ul style="list-style-type: none"> • be written in plain accessible language. • be precise about what applicants can and cannot expect, and when they can expect resolution. • clearly set out the applicant’s role in the process and how they can help the process go more smoothly and quickly. • be produced collaboratively with subject experts and include the involvement of people who use the service(s). • effectively integrate with the single assessment process. • offer viable alternatives to the authority’s services. • set out the appeals and complaints processes. These should be based on fairness and equity for all involved and available to all. <p>R5 Local authorities need to design services to engage with service users effectively and efficiently, but current standards are too variable to ensure service users are getting access to the advice they need (paragraphs 2.18 to 2.24). To improve current performance we recommend that local authorities make better use of their websites to help manage demand by:</p> <ul style="list-style-type: none"> • testing the usability and effectiveness of current website information using our lines of enquiry set out in Appendix 5; • increasing and improving the range, quality and coverage of web based information; making better use of online applications; and • linking more effectively to information from specialist providers and advice specialists, such as Citizens Advice. <p>R6 The Housing (Wales) Act 2014 introduces a new duty on social services and housing associations to collaborate with local authority homelessness services in preventing homelessness. We found that these arrangements are not operating effectively and service responses to prevent homelessness and assist homeless people are not always being provided, nor are they consistently effective (paragraphs 3.13 to 3.25). We recommend that local authorities set out and agree their expectations of partners identifying how they will work together to alleviate homelessness. The agreement should be reviewed regularly and all partners’ performance reviewed to identify areas for improvement.</p>

Date of report	Title of review	Recommendation
January 2018	How Local Government manages demand – Homelessness	<p>R7 Local authorities monitoring systems and evaluation approaches to ensure compliance with their responsibility under the Equality Act 2010 and the Public Sector Equality Duty are not working as well as they should (paragraph 3.35 to 3.39). We recommend that local authorities address weaknesses in their equalities monitoring, and ensure that their homelessness service accurately records and evaluates appropriate data to demonstrate equality of access for all service users that the local authority has a duty towards.</p> <p>R8 Managing demand can be challenging for local authorities. There are some clear lessons to be learnt with regard to the implementation of the Housing (Wales) Act 2014 and homelessness prevention duties that can be applied to managing demand in other services (paragraphs 4.24 to 4.27). We recommend that local authorities use the checklist set out in Appendix 10 to undertake a self-assessment on services, to help identify options to improve how they can help manage demand.</p>

Date of report	Title of review	Recommendation
February 2018	Housing Adaptations	<p>The report contained nine recommendations. One of the recommendations was for the Welsh Government, eight of the recommendations were for local authorities and/or delivery organisations:</p> <p>R1 There are many sources of funding and policies for adaptations, which results in disabled and older people receiving very different standards of service (paragraphs 1.5 to 1.9). To address these discrepancies we recommend that the Welsh Government set standards for all adaptations to ensure disabled and older people receive the same standard of service irrespective of where they live, who their landlord is and whether they own their own home.</p> <p>R2 Most public bodies are clear on how their work on adaptations can positively impact on disabled and older people, and have set suitable aims that provide focus for action. For adaptations, having the right strategic goals also establishes a clear basis for decision-making on who should be prioritised for services and how and where to use resources. However, we found that current policy arrangements have a number of deficiencies and public bodies are not maximising the benefit of their investment (paragraphs 3.8 to 3.15). We recommend that local authorities work with partner agencies (health bodies, housing associations and Care and Repair) to strengthen their strategic focus for the provision of adaptations by:</p> <ul style="list-style-type: none"> • setting appropriate strategic objectives for adaptations that focus on wellbeing and independence; • improving the quality of information on the demand for adaptations by using a wide range of data to assess need including drawing on and using information from partners who work in the local-authority area; and • linking the system for managing and delivering adaptations with adapted housing policies and registers to make best use of already adapted homes. <p>R3 Ensuring that all those who might need an adaptation have all the information they need in order to apply for and receive an adaptation is important. Good-quality and accessible information is therefore essential for delivery organisations to demonstrate fair access and transparency. However, we identified weaknesses in the quality and coverage of public information relating to housing adaptations (paragraphs 2.6 to 2.15). We recommend that delivery organisations provide information on housing adaptations in both Welsh and English, and accessible formats including braille, large fonts, audio versions and other languages. Information should be promoted widely via a range of media including social media, websites and published information, and also through key partners. Preferably, information should be produced jointly and policies aligned between delivery bodies to improve coverage and usage.</p>

Date of report	Title of review	Recommendation
February 2018	Housing Adaptations	<p>R4 Given the wide number of routes into services, delivery organisations need to ensure they have robust systems to deal effectively and quickly with applications. However, we found that the processes used by delivery organisations vary widely and often create difficulties for disabled and older people seeking assistance (paragraphs 2.16 to 2.19). We recommend that delivery organisations streamline applications by creating single comprehensive application forms covering all organisations within a local-authority area that are available via partners and online.</p> <p>R5 Delivery of adaptations can be delayed by a variety of factors (paragraphs 2.20 to 2.33). To improve timeliness in delivery we recommend that:</p> <ul style="list-style-type: none"> • the Welsh Government reviews whether local authorities should continue to use the means test for Disabled Facilities Grants (DFGs); • local authorities provide or use home improvement agency services to support disabled and older people to progress their DFG applications efficiently; • delivery organisations work with planning authorities to fast track and streamline adaptations that require approvals; • delivery organisations use Trusted Assessors to undertake less complex adaptation assessments; and • the Welsh Government streamlines its approval processes for Physical Adaptation Grants (PAGs).

Date of report	Title of review	Recommendation
February 2018	Housing Adaptations	<p>R6 Most local authorities, housing associations and Care and Repair agencies have established processes to appoint, oversee and manage builder and/or contractor performance. However, we found wide variations in how delivery organisations arrange, contract and deliver building works (paragraphs 2.37 to 2.44). We recommend that delivery organisations:</p> <ul style="list-style-type: none"> • introduce formal systems for accrediting contractors to undertake adaptations. These should include: <ul style="list-style-type: none"> – standards of customer care such as keeping to appointments, keeping the site tidy, controlling noise etc; – vetting of financial standing, tax and VAT status; – promoting good health and safety practices; – requiring the use of warranty schemes; – ensuring that adequate insurance is held; and – requiring references. • use framework agreements and partnered contracts to deliver adaptations; • address weaknesses in the contracting of adaptations, updating Schedule of Rates used to tender work and undertaking competitive tendering to support value for money in contracting; • develop effective systems to manage and evaluate contractor performance by: <ul style="list-style-type: none"> – setting an appropriate range of information to judge performance and delivery of works covering timeliness of work; quality of work; applicant/tenant feedback; cost of work (including variations); health and safety record; and customer feedback; – regularly reporting and evaluating performance to identify opportunities to improve services; and – providing formal feedback to contractors on their performance covering key issues such as client satisfaction, level and acceptability of variations, right first-time work, post-inspection assessment and completion within budget and on time.

Date of report	Title of review	Recommendation
February 2018	Housing Adaptations	<p>R7 Maximising impact and value for money in provision of adaptations requires effective joint working between housing organisations and health and social care services to ensure the needs of often very vulnerable people can be met, and their quality of life improved. However, our findings highlight that delivery organisations continue to have a limited strategic focus on adaptations, concentrating on organisational specific responses rather than how best collectively to meet the needs of disabled or older people (paragraphs 3.16 to 3.21). We recommend that local authorities work with partner agencies (health bodies, housing associations and Care and Repair) to develop and improve joint working to maximise both take-up and the benefits of adaptations in supporting independence by pooling of resources, co-locating staff and creating integrated delivery teams.</p> <p>R8 Most public bodies recognise the value of adaptations in reducing the risk of falls, preventing hospital admissions and speeding up discharge from hospital. However, the importance of adaptations is not always reflected in local partnership arrangements and outside of Occupational Therapists, health professionals noted that the different local-authority and housing-association systems for administering, approving and delivering adaptations are difficult to navigate (paragraphs 3.22 to 3.24). To enhance take-up and usage of adaptations with health bodies we recommend that delivery organisations jointly agree and publish joint service standards for delivery of adaptations within each local-authority area. The service standards should clearly set out how each agency approaches delivery of adaptations and how they will provide services to ensure people know what they are entitled to receive. Service Standards should:</p> <ul style="list-style-type: none"> • be written in plain accessible language; • be precise about what people can and cannot expect to receive; • be produced collaboratively to cover all adaptations services within an area; • set out the eligibility for the different funding streams, application and assessment processes, timescales and review processes; and • offer the viable options and alternatives for adaptations including linking with adapted housing registers to maximise use of already adapted homes.

Date of report	Title of review	Recommendation
February 2018	Housing Adaptations	<p>R9 Having the right performance indicators and regularly reporting performance against these are important for public bodies to manage operational performance, identify areas of improvement and evaluating the positive impact of services. We found that the current range of performance indicator data is extremely limited and not sufficient to enable a full evaluation of performance (paragraphs 4.5 to 4.20). To effectively manage performance and be able to judge the impact of adaptations, we recommend that the Welsh Government and delivery organisations:</p> <ul style="list-style-type: none"> • set appropriate measures to judge both the effectiveness and efficiency of the different systems for delivering adaptations and the impact on wellbeing and independence of those who receive adaptations; • ensure delivery organisations report against their responsibilities in respect of the Equalities Act 2010; • ensure performance information captures the work of all delivery organisations – local authorities, housing associations and Care and Repair agencies; and • annually publish performance for all delivery organisations to enable a whole systems view of delivery and impact to support improvement to be taken.
April 2018	Speak my language: Overcoming language and communication barriers in public services	<p>Ensuring that people who face language and communication barriers can access public services</p> <p>R1 Public bodies are required to ensure that people can access the services they need. To take account of the requirements of the 2010 Equality Act and other legislation, we recommend that public bodies regularly review the accessibility of their services to people who do not speak English or Welsh as a main language including Deaf people who use sign language. This assessment can include using our checklist.</p> <p>Developing interpretation and translation services in Wales</p> <p>R2 Our work with public bodies, interpretation and translation service providers and service users has identified some challenges for interpretation and translation services. We recommend that the Welsh Government work with public bodies, representative groups and other interested parties to make sure that:</p> <ul style="list-style-type: none"> • the supply of interpreters is sufficient especially for languages in high demand such as BSL and Arabic; • interpreters with specialist training are available to work in mental health services and with people who have experienced trauma or violence; and • quality assurance and safeguarding procedures are in place.

Date of report	Title of review	Recommendation
May 2018	<u>Reflecting on Year One: How Have Public Bodies Responded to the Well-being of Future Generations</u>	The report did not include any recommendations or proposals for improvement.
May 2018	<u>Strategic Commissioning of Accommodation Services for Adults with Learning Disabilities</u>	<p>R1 People with a learning disability have a right to live independently. The last 50 years have seen significant changes in the provision of accommodation and support. Service provision has moved to a model that enables people to live in the community in ordinary houses throughout Wales (paragraphs 1.3 to 1.10). We recommend that local authorities continue to focus on preventing people becoming dependent on more expensive placements in care homes by providing effective support at home and a range of step up accommodation by:</p> <ul style="list-style-type: none"> • improving the evaluation of prevention activity so local authorities understand what works well and why. • utilising the mapping of prevention services under the Social Services and Well-being (Wales) Act 2014 that covers other agencies and service providers. • improving the signposting of additional help so carers and support networks can be more resilient and self-reliant. This should include encouraging carers to make long-term plans for care to maintain and protect their dependants' wellbeing. • sharing risk analysis and long-term planning data with other local authorities, service providers, and partners to agree a shared understanding of the range of options. <p>R2 Population projections show that the number of people with a learning disability will increase in the future, and those aged over 65 and those with a moderate or severe learning disability will rise significantly (paragraphs 1.3 to 1.10). We recommend that local authorities improve their approach to planning services for people with learning disabilities by building on the Regional Partnership Boards' population assessments for people with learning disabilities and agreeing future priorities.</p>

Date of report	Title of review	Recommendation
May 2018	<u>Strategic Commissioning of Accommodation Services for Adults with Learning Disabilities</u>	<p>R3 The Welsh Government produced guidance to local authorities, entitled 'developing a commissioning strategy for people with a learning disability' to support authorities in producing strategic plans for the commissioning of learning disability services. In conjunction with codes of practice developed following the Social Services and Well-being (Wales) Act 2014, the Welsh Government requires local authorities to develop integrated commissioning options with Local Health Board services. The aim is to provide a joined-up and cost-effective approach to the commissioning of services but our review highlighted weaknesses in current arrangements (paragraph 2.4 to 2.12). We recommend that local authorities do more to integrate commissioning arrangements with partners and providers and take account of the work of the National Commissioning Board by:</p> <ul style="list-style-type: none"> • understanding the barriers that exist in stopping or hindering further integration; • improving the quality of joint strategic plans for learning disability services (see also paragraphs 3.11 to 3.14); • establishing investment models and sustainable financial structures, joint workforce planning and multi-year budgeting; and • developing appropriate governance and data sharing frameworks with key local partners that include a clear process for managing risk and failure. <p>R4 Local authorities' engagement with people with learning disabilities and their carers is variable. Whilst many authority services have positive relationships with advocacy groups, some are less successful in involving these groups and carers in evaluating the quality of services (paragraph 2.18 to 2.20). We recommend that local authorities do more to involve people with learning disabilities and their carers in care planning and agreeing pathways to further independence by:</p> <ul style="list-style-type: none"> • consistently including people with learning disabilities and their carers in the writing, monitoring and development of care plans; • systematically involving carers and advocacy groups in evaluating the quality of services; • involving people with learning disabilities in procurement processes; and • ensuring communications are written in accessible and appropriate language to improve the understanding and impact of guidance and information.

Date of report	Title of review	Recommendation
May 2018	<u>Strategic Commissioning of Accommodation Services for Adults with Learning Disabilities</u>	<p>R5 Local Authorities could do more to involve service providers in commissioning and make the tendering process more effective by making it easier to navigate and more outcome focused. However, providers are not as effectively engaged as they should be (paragraphs 2.28 to 2.38). We recommend that local authorities collaborate with providers, the third sector and suppliers in understanding challenges, sharing data, and pooling expertise by:</p> <ul style="list-style-type: none"> • improving the quality, range, and accessibility of tendering information; and • working with providers to shape local markets by coming to a common understanding of the opportunities, risks, and future priorities in providing learning disabilities services. <p>R6 Most local authorities do not have effective arrangements to monitor and evaluate their commissioning of learning disability services (paragraphs 3.3 to 3.15). We recommend that local authorities develop a more appropriate set of performance indicators and measures of success that make it easier to monitor and demonstrate the impact of service activity by:</p> <ul style="list-style-type: none"> • co-designing measures, service and contract performance indicators with service providers, people with learning disabilities and their carers; • ensure commissioners have sufficient cost and qualitative information on the full range of placement and care options available; • equipping commissioners with data to demonstrate the long-term financial benefits of commissioning choices, this includes having the right systems and technology; • integrating the outcomes and learning from reviews of care plans into performance measures; • evaluating and then learning from different types of interventions and placements; and • including learning disability services in local authority scrutiny reviews to challenge performance and identify improvements.

Wales Audit Office

24 Cathedral Road

Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru

24 Heol y Gadeirlan

Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn Testun: 029 2032 0660

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru

CYNGOR SIR POWYS COUNTY COUNCIL.

CABINET
9th October 2018

REPORT AUTHOR: County Councillor Rosemarie Harris, Leader
County Councillor Aled Davies

SUBJECT: DRAFT Annual Performance Report 2017 – 18

REPORT FOR: Consideration

1. Summary

1.1 The purpose of this report is to present the draft **Annual Performance Report (APR) 2017-18** (attached at Appendix A) for consideration and approval. It sets out Powys County Council's performance during 2017-18 against delivering the Corporate Improvement Plan (2016 – 2020) priorities which were:

- Services delivered for less – remodelling council services to respond to reduced funding
- Social Service Improvement
- Developing the economy
- Learning – improving learner outcomes for all, minimising disadvantage

1.2 In April 2017 the council set and published well-being objectives as required under the Well-being of Future Generations (Wales) Act 2015 (Well-being Act). The well-being objectives were the same as the priorities for improvement outlined in 1.1 above and show the council's commitment to contribute to delivery of the seven national well-being goals in the Act. The council is required to report on the progress it has made in meeting its well-being objectives and must publish an annual report by no later than 31st March the following year.

1.3 The Annual Performance Report 2017-18 in Appendix A has been designed to meet the council's reporting duties under the Well-being Act and the Local Government (Wales) Measure 2009. In doing so, it includes:

- An overview of the progress we have made to deliver our priorities and commitments from:
 - The One Powys Plan 2014-17
 - Service plans and improvement plans
 - The Medium Term Financial Strategy and Capital Strategy
- How the steps we have taken contribute to a more sustainable Wales; the seven well-being goals
- How we are using the sustainable development principle, five ways of working to change the way we work

- Our performance against the Public Accountability Measures which are used to evaluate local council performance across Wales
- Key conclusions from audit and inspection work carried out by our external regulators, including the Wales Audit Office Annual Improvement Report 2017-18 (attached at Appendix B)

1.4 The APR 2017-18 aims to provide a balanced and open account of performance and has been developed using information from the following reports to ensure clear alignment and consistency:

- Quarterly SIP Achievements, Issues, Actions reports
- Quarterly programme highlight reports
- Director of Social Services Annual Report 2017-18
- Assurance and Improvement Board Reports
- Schools service Self Evaluation Report
- Efficiency Tracker
- Revenue and Capital outturn reports

2. Proposal

2.1 It is proposed that Cabinet consider the content of the DRAFT Annual Performance Report 2017 – 2018 (Appendix A), and recommend to Full Council for approval on the 18th October 2018.

2.2 On approving the APR 2017-18, cabinet will be satisfied that the following criteria have been met:

- Key achievements identified are collectively considered to be the most important/relevant ones to be published
- The report provides an open, balanced and realistic self-assessment of performance
- There is appropriate information which demonstrates not only what and how much the council does, but also the difference the council is making in terms of outcomes
- The document is clear and provides the right level of information that will be meaningful and relevant to all audiences

3. Options Considered / Available

3.1 N/A

4. Preferred Choice and Reasons

4.1 N/A

5. Impact Assessment

5.1 Is an impact assessment required? No

6. Corporate Improvement Plan

6.1 The Annual Performance Report 2017 - 2018 sets out performance and progress against the council's Corporate Improvement Plan priorities and commitments which are also its well-being objectives.

7. Local Member(s)

7.1 The Annual Performance Evaluation impacts with equal force across the whole County.

8. Other Front Line Services

8.1 The APR reports progress against the commitments that were in the Corporate Improvement Plan 2016-20 and is not intended to be a comprehensive performance report of ALL council services, however the CIP did include key objectives from Service Improvement Plans during 2017-18.

9. Communications

9.1 As with previous editions of the APR, the Communications Team will be involved in publishing the document to ensure that it is made accessible to as many audiences as possible including residents, staff, members, partners, and regulators.

10. Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)

10.1 Legal : The recommendations can be supported from a legal point of view.

10.2 Finance: The contents of the report have been noted.

11. Scrutiny

11.1 The Annual Performance Report was presented to the scrutiny Joint Chairs and Vice Chairs meeting on 11th September 2018. Their comments are attached at Appendix B, for your consideration. A number of amendments were made to the Annual Performance Report as a result of scrutiny recommendations.

12. Statutory Officers

The Head of Financial Services (Deputy Section 151 Officer) notes the contents of the report.

12.2 The Solicitor to the Council (Monitoring Officer) commented as follows : “ I note the legal comments and have nothing to add to the report.”

The Solicitor to the Council (Monitoring Officer) has commented as follows:

13. Members' Interests

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
To approve the DRAFT Annual Performance Report 2017 – 2018 in Appendix A to the report and recommend	To ensure the report gives a balanced and open account of Powys County Council's performance during the 2017-

to County Council for approval on 18 th October 2018.	18 financial year, against its CIP priorities / well-being objectives. To ensure the Council meets its statutory obligations as outlined in the Local Government (Wales) Measure 2009 and Well-being of Future Generations (Wales) Act 2015.
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Relevant Policy (ies):	Corporate Improvement Plan 2016-19, Local Government Wales Measure 2009, Well-being of Future Generations (Wales) Act 2015.		
Within Policy:	Y	Within Budget:	Y

Relevant Local Member(s):	
----------------------------------	--

Person(s) To Implement Decision:	
Date By When Decision To Be Implemented:	31st October

Contact Officer: Emma Palmer Tel: 01874 612217 Email: emma.palmer@powys.gov.uk
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Background Papers used to prepare Report:

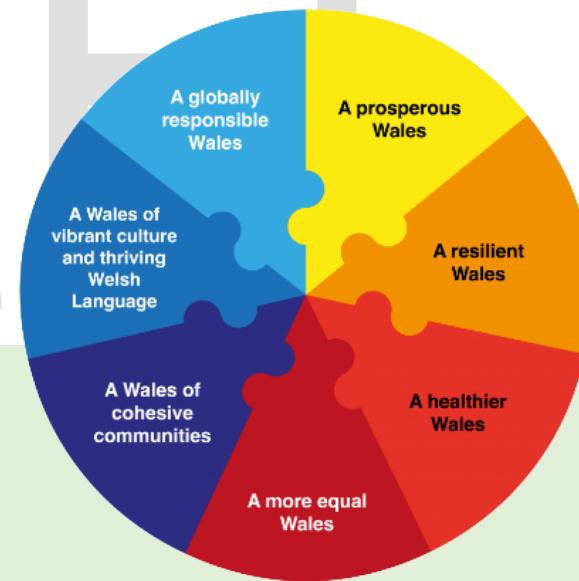
CABINET REPORT TEMPLATE VERSION 5

2017-18

Annual Performance Report

(Reporting progress against our Corporate Improvement Plan 2016-2020 and Well-being Objectives)

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This is Powys County Council's Annual Performance Report 2017-18. It sets out how we performed during the 2017-18 financial year, against the commitments that we made in our Corporate Improvement Plan 2016-2020 (2017 update), including our well-being objectives.

Let us know what you think of this report and how you think we could improve services in the future.

Get in touch:



By post:

Chief Executive and Member Support
Powys County Council,
County Hall,
Llandrindod Wells,
Powys, LD1 5LG



By Phone:

01597 826158



By email:

business_intelligence@powys.gov.uk



Website: www.powys.gov.uk

Twitter: @powyscc (eng)
@cspowys (welsh)

Facebook: @powyscc
@cspowys

01. Leader and Chief Executive's introduction

During 2016 – 2018 we have been delivering an ambitious Corporate Improvement Plan focussed on four key priorities.

- Services delivered for less – remodelling council services to respond to reduced funding
- Supporting people in the community to live fulfilled lives
- Developing the economy
- Learning – improving learner outcomes for all, minimising disadvantage

During the 2017-18 year we remained focussed on delivering these priorities, while also responding to the findings and recommendations of an independent review of our children's and adult services.

It has been a challenging year and we know that there is still significant change and improvement to do. In the delivery of children's and adults social services, we have fully accepted the findings of the Care Inspectorate Wales (CIW) reports and the intervention by Welsh Government. They found that we had failed to meet the high standards children and families in the county should expect and deserve. In response, we developed detailed improvement plans that provide direction for deep and sustainable change and improvement to services for children, families and vulnerable adults in Powys. In the final part of 2017-18, we started to see some improvements in performance including an increase in the number of people independent following a period of enablement and those supported with technology. There have also been some signs of improvement in relation to statutory visits and safeguarding. In 2018/19 this performance needs to be improved further and sustained which will involve a clear end to end business process to enable staff to discharge their professional duties.

In this report you will find more detail on how well we delivered our priorities and commitments last year as well as what our key independent auditors have told us. It aims to provide an open and honest account of how effective our actions have been and the difference we've made for residents. It also highlights areas where our performance didn't meet the standards our residents rightly expect and what our future priorities are to improve performance in these areas.

Despite the challenges within social services, we have delivered a number of improvements in our other priority areas, including completion of five new primary schools in the Gwernyfed school catchment, adoption of a new Local Development Plan and regeneration of the Llandrindod Wells lake. We invested over £61m as part of our capital programme, including £22m on improving our schools, £18m on improving the county's transport and highways, £12m on improving council dwellings and £5m on improving museums and galleries, parks and open spaces and sports facilities.

As we continue to face financial pressures, we looked at ways of making savings and delivering our services for less and last year we made savings of £8.3m, representing 71% of the total target. Unachieved savings have been mitigated by underspends in some of our service areas, however we know there is still more we can do to strengthen our financial planning going forward. We have already reviewed and updated our Medium Term Financial Strategy for the next five years, subject to final approval by Cabinet.

According to the indicators used by the Welsh Government to evaluate local government performance, we were among the top quartiles in Wales for 10 (56%) indicators and in the bottom quartiles for 7 (39%) indicators. There is no quartile data available for one of the indicator. We improved our performance in 28.6% of the indicators, compared to performance in 2016-17 and our performance fell for 42.9% of the indicators.

This will be the final performance report against the priorities above, as in April 2018 we published a new plan that set out some changes to our long term vision for Powys. It marked a change in direction following the establishment of our new Cabinet in May 2017 and sets out four strengthened priorities, which are also our well-being objectives showing how we are contributing to the well-being of Wales.

As well as preparing our new Vision 2025 Corporate Improvement Plan 2018-2023, we have also been working as part of the Public Services Board to develop a Well-being Plan (Towards 2040) and as part of the Regional Partnership Board to develop the Health and Care Strategy Area Plan. These plans demonstrate our continued commitment to work with partners towards improving the well-being of Powys residents.

A great deal of change has taken place within the council over the last couple of years and we will continue to modernise the way we work to ensure that we are equipped to tackle the challenges that lie ahead. We must also look at the continuing challenges and opportunities and the way we deliver services, prompting us to think more creatively in how we work with communities and partners. We no longer have the financial resources to deliver everything we would like. However, what we will do is focus on the priorities that our communities have told us are most important to them, building on the strong foundations we have put in place to make progress.

I hope you will find this report useful and that it helps you to understand and constructively challenge what we are doing.

Councillor Rosemarie Harris
Leader Powys County Council

Dr Mohammed Mehmet
Acting Chief Executive

02. About this report

In April 2017 we approved the annual update to our Corporate Improvement Plan 2016-2020. It set out four key priorities with over 250 supporting commitments/activities to achieve our vision, which at that time was 'strong communities in the green heart of Wales'.

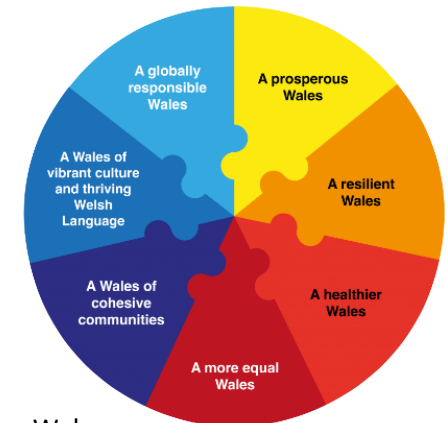
Our priorities were:

- Services delivered for less – remodelling council services to respond to reduced funding
- Supporting people in the community to live fulfilled lives
- Developing the economy
- Learning – improving learner outcomes for all, minimising disadvantage

This report looks back at our performance during 2017-18 and what progress we made against our priorities. It is important to review our progress and report to the public and elected members on improvements which have been achieved and where we need to do better.

This report includes:

- An overview of the progress we have made to deliver our priorities and commitments from:
 - The One Powys Plan 2014-17
 - Service plans and improvement plans
 - The Medium Term Financial Strategy and Capital Strategy
- How the steps we have taken contribute to a more sustainable Wales; the seven well-being goals (The tables on pages 8 -38 show our contribution to the goals with the colours representing each of the goals as shown in the diagram opposite. (Definitions of the goals can be seen in Appendix A).
- How we are using the sustainable development principle, five ways of working to change the way we work
- Our performance against the Public Accountability Measures which are used to evaluate local council performance across Wales
- Key conclusions from audit and inspection work carried out by our external regulators



Key:

In order to analyse our progress, we monitored our performance against a set of commitments and measures and the effect these were having on our desired outcomes. Each of our priorities has been given an overall status of excellent, good, adequate or poor depending on performance.

- Excellent – All commitments completed and outcomes achieved
- Good – Majority of commitments on track and outcomes improving
- Adequate – Commitments broadly on track, but limited impact on outcomes
- Poor – Majority of commitments off-track and outcomes not improving

Our Well-being objectives:

During 2017-18, we continued to implement the Well-being of Future Generations (Wales) Act 2015. The Act sets out five ways of working and seven national well-being goals to shape our thinking and ensure public bodies in Wales are working towards a common vision. In April 2017 we set and published well-being objectives to show our commitment and contribution to the goals. Our well-being objectives were the same as our priorities for improvement above and this report shows how our achievements are making a difference to the well-being goals.

Last year we reviewed our well-being objectives in light of the emerging Public Services Board Well-being Plan and also to reflect the vision of the new Cabinet members, following the local government elections in May 2017. Our objectives have been strengthened and will provide a clear focus for improving services over the next four years. Details of how we will deliver our objectives can be seen in Vision 2025: Our Corporate Improvement Plan 2018-2023.

The table below explains how our well-being objectives have been strengthened to better align with the Powys PSB Well-being Plan (Towards 2040) and to reflect our commitment to provide better integrated services. The biggest change is the introduction of a new objective that will focus on supporting our residents and communities. We want to improve the way we involve residents and ensure they have an active role in the design and delivery of services. We also want residents to be supported to take responsibility for their own actions and support one another.

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Original well-being objectives published in March 2017	Revised well-being objectives published in April 2018	Links with PSB Well-being plan objectives
Supporting people in the community to live fulfilled lives	We will lead the way in providing effective, integrated health and care in a rural environment	People in Powys will be healthy, socially motivated and responsible
Developing the economy	We will develop a vibrant economy	People in Powys will experience a stable and thriving economy
Learning – improving learner outcomes for all, minimising disadvantage	We will strengthen learning and skills	
Services delivered for less – remodelling council services to respond to reduced funding	This objective has been removed for 2018 onwards, but we have a programme of work called 'Making it happen' to support delivery of our four objectives. This will focus on: <ul style="list-style-type: none"> Engagement and communication Changing how we work Leadership and governance 	
	New objective: We will support our residents and communities	People in Powys will be connected by strong communities and a vibrant culture

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03. Delivering our priorities in 2017-18

SERVICES DELIVERED FOR LESS

During 2017-18, we introduced a new Corporate Leadership and Governance Plan to ensure that the council is well-run, aspirational and high-performing, turning strategies into actions which make a difference for our communities. The actions in the plan became part of our 'Services delivered for less' priority.

Summary assessment of performance:

Overall performance for this priority was adequate. In total, there were 72 commitments/ activities supporting delivery of this priority and at the end of the year 57 (79%) were either complete or on target.

We said we wanted to make the following difference:

- Better value for money for our citizens
- Effective, efficient and sustainable services
- Local communities are better able to provide services for themselves
- More local suppliers are being used in our contracts, either directly or through the supply chain
- Powys benefits from the council trading its professional expertise
- Customer requirements are more easily met using digital technology

What difference have we made?

Measure of success	Result 2016-17	Target 2017-18	Result 2017-18	Have we improved?
Savings achieved through remodelling services	-	£1,794,610	£1,545,100	-
Customer Satisfaction with Council Services	60% 2015-16	-	No survey undertaken	-

New self-service website

As part of our customer transformation programme we started to develop a new self-service website in August 2017 which will eventually replace the existing website. Customers now have the opportunity to set up a new and simpler 'My Powys' account where they can easily interact and request services from the council online, 7 days a week. Residents can still check their council tax balance and register for school closure alerts but now they will also be able to very quickly see their Councilor's details and bin collection dates. There is also access to a new facility called 'My Requests' which allows residents to check the progress of reports or requests, including getting a new bin/box, reporting a problem with a waste collection and getting a commercial vehicle trailer permit. Customers receive automatic updates on their service requests and are able to track progress. The new web based system being implemented will reduce manual processing and back office systems. Customers are able to leave feedback every time they request a service which enables the council to review and continuously improve the services on offer.

Feedback received so far includes:

Very easy to navigate, quick response and very quick delivery, thank you.

The process was fairly easy when I realised how to get round the net. The feedback was helpful.

What progress did we make against our commitments?

National well-being goals	How has our progress contributed to the well-being goals?	Contribution to other goals					
		Yellow	Orange	Red	Dark Red	Dark Blue	Light Blue
A prosperous Wales	Powys Pound launched – We launched a new commitment to boost the amount of money we spend with Powys businesses. We know that every £1 we spend with local companies generates additional investment and local job opportunities. Like all councils we have to work within procurement regulations but know that it is not just about getting the lowest price, it is about getting the best value and doing what you can to boost the local economy. To ensure the council's money is spent as efficiently and effectively as possible we have undertaken many activities. This includes e-tendering for goods and services in accordance with regulatory requirements, monitoring back office spend through a spend control process, and supporting services commissioning plans and their intended procurement approach. Work has been undertaken with the National Procurement Service and Sell2Wales who are organisations which are used to source goods and services for the council to identify businesses who are Powys based and the areas of goods/services they provide. Another activity we have developed is 'breakfast meetings' for businesses, giving them the opportunity to meet and ask questions of key council officers on how to do business with us.	✓					
	Commerciality - Our vision is for the council to be open and enterprising so it is important we are looking at many different options to trade, generate income and offer a wide variety of services and skills. In line with	✓					

Tudalen 66	our vision we launched the Heart of Wales Business Solutions, which is a new initiative aimed to improve our commercial opportunities by trading some products and services. Connecting with these businesses is key and will take us one step further to boosting income and strengthening council business. We currently have 32 contracts in place providing services such as payroll, DBS, fraud and administration support to external organisations which could potentially generate additional income of £348k.							
	<i>New joint venture company implemented</i> - The Heart of Wales Property Services (HOWPS) was implemented from summer 2017 to deliver all our building repair and maintenance services. It is an exciting new partnership between us and Kier which will contribute to the local economy. However, there have been some difficulties in the first 12 months and things have not gone as hoped. There have been problems with ICT and financial systems, payment of contractors and generally the response and performance of the service. These issues have all been significantly challenging to officers of both parts of the partnership during the 12 month period and has resulted in a failure to achieve the anticipated efficiencies in the first year. Additional resources have now been applied to the organisation and it is anticipated that year 2 performance will improve significantly.	✓						
	<i>Highways, Transport and Recycling (HTR) Transformation</i> - In 2017/18 a savings target of £1.8M was set against HTR budget through a variety of initiatives, improved delivery methods and budget management. We achieved £1.5m savings against our target in 2017/18 and the remainder has already been realised at the start of 2018/19. A project to further transform HTR services and increase delivery efficiency over the next 3 years is underway.	✓						
	<i>Commercial and commissioning strategy developed</i> - A Commercial and Commissioning strategy has been developed. As part of the strategy a Local Sourcing plan has been developed which includes but not limited to the monitoring of local operators bidding and winning tenders, reducing the time taken to pay invoices to small/local businesses and the inclusion of more social clauses into contracts. The strategy will be implemented immediately after sign off.	✓						
	<i>Purchase to pay</i> - We reviewed our purchase and payment systems to make them more efficient. As a result of the review we are now increasing the use of purchase cards across the organisation for buying goods and services. This has generated efficiencies through not having to manually process invoices. Our suppliers also receive payment quicker. Implementation of the review has generated £100k savings during 2017-18 and together with an £82k rebate from the provider.	✓						
	<i>Income and awards re-design</i> - We have continued to re-design our income and awards processes to make them more efficient. The number of days taken to process housing benefit and council tax reduction claims has been maintained at seven days (this was 35 days prior to implementing a number of service changes). The number of days it takes us to process council tax queries has reduced from 64 to 24 days, whilst maintaining an 89% call answer rate, with average call waiting times now five minutes. To date, £325k has	✓		✓	✓			

	<p>been realised in benefits as a result of streamlining our processes. Last year we started to review and re-design the financial assessment and billing process for Adult Social Care. A pilot was undertaken which showed that a number of improvements could be achieved from re-designing the process, including an increase in clients income, removal of delay in the process and improved communication for customers and families.</p>							
	<p><i>ICT improvements</i> – During 17/18 we removed 11 ICT systems. The current system rationalisation programme has removed a total of 47 systems since 2016 and we continue to implement the programme of work, identifying further systems to remove as well as systems that we can join-up through the corporate hub. An efficiency of £200k has been achieved as well as other benefits such as a reduction in the number of servers and licences, reduced travel costs, reduced telephony support costs and an improved joined up approach to ICT systems across Powys.</p>	✓						
<p>A resilient Wales</p> <p>Tudalen 67</p>	<p><i>Rights of way improvements</i> – We have maintained or improved 254km of public rights of way, exceeding our target of 200km. Examples of the improvements include, a new footbridge along the public footpath that goes across Ystradgynlais’ Diamond Park and into the Wern Plemys Nature Reserve, works to repair part of the ‘Strata Florida’ byway near Abergwesyn, Llanwrtyd Wells and replacement of a stretch of stone steps leading to the waterfall at Pistyll Rhaeadr near Llanrhaeadr-ym-Mochnant. We now have a team of 102 volunteers (an increase from 71 the previous year) who clocked up 2,348 volunteer hours to deliver works such as building new bridges, installing gates and vegetation clearance. The volunteers receive health and safety training from the council and are key to ensuring we continue to maintain our rights of way which can play a vital role in maintaining the health and well-being of the people of Powys as well as maintaining our natural spaces.</p>	✓	✓	✓				
	<p><i>Transfer of outdoor recreation to communities</i> – We continued to work with communities, sports clubs and others to discuss options for them to take on outdoor recreation facilities traditionally run by the council. To date we have transferred 18 outdoor recreation and play provision sites to communities, including the transfer of Radnorshire Indoor Bowls in November 2017. During 2017-18, £60k of financial savings were made through a review of our grounds maintenance and through transfer of facilities.</p>			✓		✓		
<p>A Wales of cohesive communities</p>	<p><i>Library services re-commissioned</i> - We have consulted and worked with local communities to re-design and re-commission the library service in order to achieve savings of £125,000. We are grateful to the Town and Community Councils, schools and community organisations who are providing financial and other support to their local libraries, and to all of the volunteers who have given 2,490 hours of their time during 2017-18</p> <ul style="list-style-type: none"> ○ Builth library has been successfully co-located into a Powys County Council building, Antur Gwy ○ Llanidloes libraries have been successfully co-located with Llanidloes museum with the Town Council’s Town Hall, and received visitor attraction status ○ Work has progressed on agreement with a Community Interest Company formed by 12 Town and Community Councils in the Llanfyllin area in order to support the local library and look at delivery of 					✓	✓	

<p>other services. Working with the Community Connector, there has been an increase in health and wellbeing activities and events at Llanfyllin library and community centre</p> <ul style="list-style-type: none"> ○ Crickhowell library is going from strength to strength under the partnership agreement between Crickhowell High School and our library Service, with visitor numbers up by 10% between January and March 2018 ○ Presteigne Town Council provide financial support to Presteigne library ○ Talgarth library has been co-located on the new community focused school site (Ysgol y Mynydd Du). The new site provides a vital role at the heart of the Talgarth and Bronllys community and the library will provide an additional valuable learning asset for future generations to access ○ Llandrindod Library extended opening hours by opening at 9am, from October 2017, and is now open for 45 hours per week ○ Data has shown that libraries run by volunteers alone for some hours (Llanwrtyd, Presteigne) have seen a decline in visitor figures, and we are looking at ways to address this. Volunteers have started to open Llanfair Caereinion library for 1 shift per week (3 hours) and the impact will be monitored. Volunteers working alongside paid staff is proving a more effective model for all concerned, as well as less onerous for the volunteers ○ Llanfair Caereinion Town Council are covering the premises costs for the library ○ Knighton library has moved to become part of the enhanced community hub facility at Knighton and District Community Centre. In the first 3 weeks after opening, over 1200 people visited the library, with most feedback very positive. Libraries are important for local communities, and innovative partnership working, and shared facilities such as this hub, are one way to ensure that services are still available for local people, particularly in rural areas 							
<p><i>Youth services re-modelled</i> – In order to continue delivering the youth service within available budgets, we have re-modelled the service saving £180k in 2017/18 and a further £207k has already been achieved in 2018/19. This was achieved by removing three buildings from our portfolio (Newtown, Llandrindod, Brecon). The youth clubs in these areas have re-located to venues not owned by the council. Negotiations are still being undertaken with regards the buildings in Ystradgynlais and Welshpool. We have also restructured the open access team and reduced staff hours to make efficiencies. We currently have 13 youth workers in secondary schools across Powys and one youth club in the five main towns (Welshpool, Newtown, Llandrindod, Brecon, Ystradgynlais). We commissioned the Urdd to deliver Welsh language youth work and the YFC to deliver rural youth work across Powys.</p>					✓	✓	
<p><i>Recycling targets met</i> – 60.65% of waste was reused or recycled. Whilst this exceeds the Welsh Government’s Statutory Recycling Target (SRT), it is a fall of 4% on the previous year’s recycling rate. This was principally down to how wood waste from household waste recycling centres is now reported to NRW,</p>		✓					

A globally responsible Wales

and also the loss of some recycling as a result of sending some waste to incineration which does allow the authority to claim the bottom ash as recycled. The fall in recycling has been seen across most Welsh councils for the same reasons and we will be working to divert additional material from the residual stream to recycling in order to meet the next SRT of 64% in 2019/20. A new household waste recycling centre was developed in Llandrindod Wells, providing an upgrade to what was a popular community recycling site. It is centrally located to serve mid Powys residents and will help the council to recycle as much waste as possible. Opening days of the council's HWRC were also increased to encourage residents to recycle more.

How much did we save/ spend?

Headline capital investments:



○ **£2.9m** – Highways, Transport and Recycling Service vehicle replacement programme. For example, a capital investment of over £425,000 has seen the council purchase two Archway Roadmaster spray injection patching machines, which will tackle several times the number of road defects compared to traditional patching methods. One of the machines, which is operated by one person from the cab of the vehicle, recently repaired 40 square metres of potholes. It would have taken a four-person workforce using traditional patching methods and numerous pieces of equipment all day to repair the same amount of potholes. With budgets under increasing pressure, the new machines are seen as a cost-effective way of maintaining the county's highway network.

- **£330k** – Llandrindod Wells Household Waste and Recycling Centre
- **£295k** – ICT replacement infrastructure

Headline savings:

- **£100k** - Implementing the LED conversion programme for street lights and reviewing the service
- **£189,210** - Review the provision of Household Waste and Recycling Centres
- **£20k** - Decommissioning direct management of some museums and pursuing joint arrangements in the management of the Brecon Cultural Hub
- **£350k** - Year on year reductions in contract fees for managing the council's leisure facilities
- **£111k** - Business support (New Model)

What are our improvement plans for 2018-2023?

Vision 2025: Our Corporate Improvement Plan 2018-2023

You can see more detail about how we will continue to provide effective and efficient services in our Vision 2025: Corporate Improvement Plan 2018-2023. One of our priorities for 2018-2023 is called 'Making it happen' which focusses on:

- Engagement and communication
- Leadership and governance
- Changing how we work

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SUPPORTING PEOPLE IN THE COMMUNITY TO LIVE FULFILLED LIVES

An inspection of our Children's Services in July 2017 followed by an inspection of Adults Services in January 2018, highlighted some critical areas for improvement and in response we prepared two key improvement plans to help implement immediate and urgent changes.

- Children's Improvement Plan
- Adults Improvement Plan

These plans focussed on improving the standards of our statutory social care services, ensuring that our most vulnerable children and adults are safe. Recognising the importance of these plans, we took the decision to replace our original priority - 'Supporting people in the community' with a priority called 'Social Service Improvement'. The commitments and measures of success set out in the CIP 2016-20 were therefore changed to better reflect the outcomes being sought. From October 2017 onwards our performance monitoring focussed on implementation of the improvement plans and it is therefore progress against these that is the main focus of this section of the report.

More information on the Children's and Adults Services inspections can be found in section 6 of this report.

Summary assessment of performance:

Overall, performance for this priority has been adequate and improvements in our social care services will continue to be a priority for 2018-2023. In total, there were 113 commitments/ activities supporting delivery of this priority. 84 (74%) of the commitments/ activities were either complete or on target by the end of 2017-18, leaving 29 (26%) off-track. Only 3 out of the 10 measures being monitored met their target while three showed improvement compared to 2016-17 performance.

We said we wanted to make the following difference:

In Children's Services, we will:

- Support families to stay together and reduce the need for children to be looked after, by focusing on services which provide timely help, build on family's strengths and prevent greater problems arising
- Manage risk confidently and effectively when providing support to families where children and young people need to be safeguarded or they are judged to be on the 'edge of care' by making sure that their needs are accurately assessed and met effectively, with positive outcomes for them
- Provide and commission a flexible and affordable mix of high quality placements for children who are looked after to meet the diverse range of their needs and circumstances
- Give children and young people clearly planned journeys through care and into adulthood

In Adult Services, we will:

- Improve access to services through timely information, advice and assistance, as well as receiving and processing enquiries appropriately and swiftly
- Keep safe, adults at risk by ensuring that initial screening of concerns is effective and consistent, with a prompt assessment of risk and safeguarding action

- Avoid delays by providing sufficient service and fieldwork capacity
- Meet new statutory responsibilities towards individuals and their carers by increasing the range and quality of the services available for meeting needs

What difference have we made?

Technology enabled care

A 95 year old lady lives alone with her son living close by. She is adamant she wants to stay in her own home as long as possible but she has early stage dementia and although there is a care package in place the concern is that the lady might get up in the middle of the night and have a fall. Telecare was installed which included a bed occupancy sensor. This was programmed to monitor her activity between 10pm and 8am and it is programmed so that if she gets up and then doesn't return to bed within 30 minutes, the lifeline is activated and the call centre respond to check she is well.

Community connectors

Client A, now in his late 70's, recently left hospital. He refused a care package and reablement. His sister cared for him but she had to return to work. His ex-wife is caring but she can't continue any longer as it is a strain for her; in her 80's and not living locally. He doesn't want care workers coming in and can't abide ready meals. He is managing with washing and dressing. However, at the moment he can't manage getting to the shops or cooking meals. His ex-wife contacted Powys People Direct (PPD) to see if social services could help her to care for him. While speaking with client A's ex-wife, the PPD contact officer consulted with the Community Co-ordinator to see what options might available to him. In negotiation with client A and his ex-wife it was agreed that he would be referred to Red Cross support at home for preventative work (primarily shopping and confidence building) and the Community Co-ordinator would try to locate someone to deliver a hot meal to him each day. Client A relented and agreed to be referred to reablement to support him with meal preparation. This removes the stress of caring for his ex-wife and supports the immediate need of the client.

Red Cross continued to support him by taking him to the shops, encouraging improved mobility and building confidence. At the shops, client A gets to catch up with friends and enjoys hearing the local news. He told the Red Cross staff "when I know you are coming, I know it is only shopping, but I really do look forward to getting out, doing my own shopping and seeing people. As client A comes to the end of his time with the Red Cross, his confidence has improved. He is determined to increase his independence and hopes to be able to start sailing again. The Red Cross staff will put him in touch with local Community Support befriending and community transport schemes so he can continue doing his shopping and building his strength.

Early Help Team Around the Family

Person 'B', was 15 years old when a CAF was completed. His father has mental health problems and his mum has a complex health condition which meant Paul helped care for his mum at night and cared for her in the morning when she had 'bad days,' (prior to Adult Services becoming involved).

'B' had low self-esteem and low self-confidence and he rarely went out socially. He was bullied in school. He is dyslexic which means learning is hard for him. He and his parents felt he did not get the support in school. 'B' had been involved with the Police at one stage, and he had also ran away.

'B' initially received support from a Youth Intervention Service Worker (YIS) worker. The work helped increase his self-esteem and self-confidence. They helped with school issues such as bullying. A referral was made to Young Carers. 'B' went on group activities but preferred one to one support such as mountain biking. TAF meetings were held at school (which included dad's mental health advocate and a SW from Adult Services) which meant everyone came together to work to a plan and ensure a strong link between home and school. School became fully aware of the level of caring responsibilities 'B' had at home. When YIS had finished their work, 'B' had support from a volunteer from a mentoring service until he went to college.

'B' contacted the department in March 2018 to say: *"I just want to say thank you for all you did for me, to let you know that you may not get a medal at the time but a couple of years down the line I have realised that what you lot did helped more than I realised, although at the time I may not have seen it that way. My life would have been different without both you at TAF and my head of year at school (yr11). You gave me my confidence back. Going out with my mentor was something to look forward too away from my problems"*

'B' has been awarded an unconditional offer to go to university in Sept 2018.

Measure of success	Result 2016-17	Target 2017-18	Result 2017-18	Have we improved?
Children's				
The percentage of assessments completed for children within statutory timescales	95%	95%	66%	✘
% of children looked after on 31 March who have had three or more placements during the year (This measure is based on a rolling 12 month period and details all those looked children who have been in 3 or more placements during that year as a percentage of all the children looked after on the last day of the reporting period)	13.5%	6%	13%	✓
% of LAC Statutory Visits carried out within timescale	n/a	95%	75%	-
% of CP Statutory Visits carried out within timescale	n/a	95%	73%	-

% of operational staff who have had Case Supervision on a monthly basis	n/a	95%	43%	-
Adults				
The number of persons (per 1000 population) aged 75 and over who experience a delay in returning to their own home or social care setting following hospital treatment decreases	8.13	7.5	10.49	✘
Following a period of reablement support, the number of clients requiring no ongoing support will increase	66.5%	70%	76.43%	✓
The number of adult clients supported in their own home through assistive technology will increase	104.75	380	412	✓
The percentage of Carers identified offered an assessment	93.87%	91%	88.47%	✘
The number of service users with learning disabilities receiving residential care or supported tenancies outside of Powys will reduce	-	Reduce	Reduced by 1	-

What progress did we make against our commitments?

National well-being goals	How has our progress contributed to the well-being goals?	Contribution to other goals						
		Yellow	Orange	Red	Dark Red	Dark Blue	Light Blue	Blue
A healthier Wales	<i>Children's Services:</i>							
	<i>Powys People Direct (PPD)</i> - To meet the need of children and families for a timely and proportionate early contact response, we have increased capacity in Powys People Direct, our contact and early screening centre. It both provides information, advice and assistance and also receives social services enquiries from the public and professionals. Recent concerns raised about people's ability to get access to PPD were addressed through a restructuring exercise. Supervision and support for contact officers has been increased and management oversight enhanced.			✓				
	<i>Safeguarding</i> - We agreed a Corporate Safeguarding Policy which sets out the steps that the council as a whole will take to protect and safeguard children and adults at risk. We also set up a Corporate Safeguarding Group chaired by the Chief Executive to monitor delivery of the policy.			✓	✓			
	<i>Working with partners</i> – We demonstrated renewed commitment to engaging effectively with the Regional Safeguarding Board, the Regional Partnership Board, the Children and Young People's Partnership and structures for national working in areas such as fostering and adoption so that we can benefit more from partnership working and external accountability. We have re-established the Powys Local Operational Group which operates on a multi-agency basis to co-ordinate the work of the Regional Safeguarding Board and we are ensuring that senior officers make a stronger contribution to the work of the Board.			✓				

Tudalen 75	<p><i>Foster Carers</i> - We are committed to Increasing the number and range of local fostering placements. 23 foster carers have been approved in the current financial year (9 Generic and 14 Connected Persons). 13 foster carer assessments are in progress. The council's fostering recruitment strategy will set annual targets, complemented by regional recruitment work. We will explore the potential for reduced or waived council tax for Foster Carers and for their prior consideration in allocations of larger council housing properties. A listen and learn exercise has been completed with Foster Carers and recommendations are being considered and implemented. A marketing strategy has also been completed. We aim to reduce inappropriate use made of Independent Fostering Agency (IFA) placements and clearly specify their role. Agencies can continue to play a role in complementing our in-house provision through targeted commissioning of more specialist provisions rather than being used because a local authority foster placement is not available.</p>			✓		✓		
	<p><i>Assessments</i> - The service has focused strongly on assessments, with twice weekly meetings of operational managers to ensure timescales are met and performance improved. An independent auditor also reviewed a small number of files and suggested more appropriate timescales for completing assessments to ensure that they are more proportionate. The council is determined to achieve 100% compliance for completion of assessments for children within the statutory timescale of 42 days. However, we are starting from a very low base of 53% completion in April, May and June 2017. In January 2018 we saw a significant improvement to 72% of assessments being completed within timescale and this has increased further to 86% for February 2018, and 96% for March 2018. This takes us past the 90% target set for March 2018. We will continue to make every effort to deliver our aspirations of 100% compliance and this will be monitored by the Leader of the council on a monthly basis and exceptions will be challenged to be understood.</p>			✓				
	<p><i>Involvement of children and families in their care plans</i> - There are good examples of outcome-focused care planning which consistently reflects the outcomes of the assessment and the views of children and families. People are actively involved in planning and delivery of their care and support and they are supported to identify what matters to them and how they might achieve their personal well-being outcomes. These outcomes are clearly described and the actions to achieve them are identified. We have seen an increase in the numbers of Children who require care and support plans since April 2017. However, this has been steadily reducing since the high of 751 in December, falling to 668 by March 2018.</p>			✓	✓			
	<p><i>Workforce</i> - We recruited agency staff to cover vacancies or longer-term sickness absence. On a temporary basis, we have appointed to a number of social worker posts above establishment in order to support staff, reduce caseloads and stabilise the workforce. As well as increasing social worker capacity in front line teams, the council is also committing to provide additional support staff so that front line practitioners and managers can focus on delivering safe and high quality services to children and their families. This includes strengthening the quality assurance functions (including Independent Reviewing Officers) and increasing capacity in Powys People Direct and the fostering and adoption services. A workforce strategy is being</p>	✓		✓				

Tudalen 76	developed and will be relevant to both children and adult services. Having extra agency staff does increase capacity and experience within the workforce but we are aware that if workers change frequently, it can also add to instability for children and families.							
	<i>Improved HR, IT and performance monitoring systems</i> - We have improved the accuracy of data to support managers in addressing practice issues across the service. Detailed performance dashboards have been developed for front-line managers (updated daily) and for elected Members (updated monthly).			✓				
	<i>Financial planning</i> - We have produced a financial plan that incorporates a safe and sustainable budget for Children's Services. The level of political and corporate support for our Children's Services has been demonstrated especially by the level of additional financial support made available in 2017/18 and agreed for 2018/19 to deliver our improvement plans. The budget for next year includes investment of £6.172m for Children's Services, an increase of 47% at a time when the overall budget for the council is experiencing considerable pressures. This figure emerged from a structured and methodical approach to developing a safe and sustainable budget for Children's Services, including a costed Improvement Resource Plan which identifies the additional staffing and other resource requirements. An overall commissioning strategy for Children's Services is being developed, together with specific strategies in areas such as placements for children who are looked after. This will ensure that an appropriate level of budget is allocated to the service.			✓				
	<i>Looked After Children (LAC)</i> - The council has responsibilities to act when children are at risk in the family home. In some cases this means that they are removed for their own safety and well-being. The number of LAC has remained over 200 from January to March 2018 and is much higher than at April 2017 (160). One of our important roles is to ensure that we undertake visits to our LAC. The percentage of statutory visits held within the statutory timescale has improved from 49% in January 2018 to 55% in February, and 86% in March 2018. This is however below the target of 100% and it is recognised that further immediate improvement is required. This will be one of our priorities for 2018/19 going forward. The percentage of 'looked after' children who returned home from care during the year was 15.3%. The percentage of children who were supported to remain living with their family was 73.9%.			✓	✓			
	<i>Children on the Child Protection Register</i> - We have been focussed on the impact that we can have on our child population and how we need to perform in responding to those at risk. The number of children on the child protection register was 111 in March 2018, which is a drop of 12 since January 2018, but is still far higher than at April 2017 (80). The average length of time on the Child Protection Register for those removed has reduced from 229 days in January 2018 to 195 days in March 2018. To keep children safe the service must ensure statutory visits are undertaken at the right time. At the end of January 2018 performance was low at 56%, but has increased to 72% at March 2018. The organisation has set a compliance target of 95% for statutory visits.			✓				
<i>Adult Services:</i>								

<p><i>Engagement Strategy</i> - We have developed and consulted with stakeholders on an engagement strategy for adult social care and this has recently been finalised in order to implement fully during 2018. We are eager to hear about the services we already deliver and how we can support adults better. In 2017-18, 51% of adults (197 adults) felt that they could do things which were important to them. 47% (182 adults) felt that they couldn't, or could only do so some of the time. This is a reduction from 52% (267) in 2016-17 that felt they could do the things important to them. Health and mobility issues were raised as being the main limiting factors.</p>			✓	✓	✓			
<p><i>Preventative Services</i> - We worked with the 3rd sector to develop our preventative services, but we recognise that we need to undertake further work to ensure that these are robust. We developed home based support services in East Radnorshire with the 3rd sector and in Llanidloes and Llandrindod. These are pilots for two years and will be evaluated at the end of the second year.</p>			✓		✓			
<p><i>Powys People Direct</i> - We have used our single point of access, Powys People Direct (PPD), both to provide information, advice and assistance and also to receive social care enquiries from the public and professionals. We recognise that we have not been able to respond to calls as effectively as we would have liked and, therefore, we need to undertake significant work in 2018 to support call answering in a timely manner and to ensure that those requiring support receive it swiftly. During 2017/18 1,327 adults contacted us for information, advice and assistance. Of these individuals who contacted us in the first half of the year 90% have not contacted us again within six months.</p>			✓					
<p><i>Carers</i> - Adult Social Care is striving to adopt good practice in terms of listening and giving carers time to participate in assessments in their own right, along with providing a timely response to assist them in their caring role. There have been delays in carers assessments being undertaken in some areas because of staffing capacity. However, the data is currently showing a significant increase in the percentage of carers being offered an assessment which is up to almost 95%. A third of carers (33% or seven individuals) felt that they can do things that are important to them, with 24% (five individuals) saying this only applied to part of the time. Three carers (15%) said that they couldn't. One comment related to ensuring the day centres remained open while others said that their caring duties were a barrier.</p>			✓					
<p><i>Assessments</i> - The ability to provide timely assessments and reviews has varied across the county, reflecting recruitment and retention challenges in some areas of Powys. The Community Team supporting older people in the south of Powys for example has been affected by staffing instability. We have been relying on agency social workers and occupational therapists. In the short-term, an external organisation has been commissioned to undertake assessments on our behalf to eliminate the backlog of work and this is having a positive impact. Annual reviews in adult services remains a challenge but we have started to make some progress in delivering this area of performance. The council has been working closely with Powys Teaching Health Board to manage winter pressures in adopting a team approach to dealing with urgent assessments, supporting flow within both hospital and community systems.</p>			✓	✓				

Tudalen 78	<p><i>Technology Enabled Care (TEC)</i> - During 2017/18 we aimed to introduce technology enabled care (TEC) in the form of assistive technology and accessed the Welsh Government's Integrated Care Funding in order to do so. Prior to this action in April 2017 very few people in Powys (almost zero) would have been provided with assistive technology by the council. However, during 2017/18 we prescribed 893 items of technology to 444 individuals. We have two categories of TEC: Telecare and stand-alone technology for unpaid carers. In terms of the latter, we prescribed 438 items of stand-alone TEC equipment for unpaid carers to look after 257 clients. The total number of carers benefiting would be higher than 257 as some individuals would be supported by more than one carer. We have set a target to double the number of people using assistive technology within two years from April 2018 onwards. A 24/7 rapid response technology enabled care (TEC) and floating support service have been merged. We are also able to provide short periods of domiciliary care to those who need some support to get back on their feet. This is currently being piloted and evaluated in three areas across Powys - Llanidloes, Presteigne and Rhayader (where the current service is being extended to include Llandrindod Wells).</p>			✓	✓			
	<p><i>Accommodation / Extra Care Schemes</i> - We have been working with colleagues in the housing service to develop more extra care schemes and to ensure that there are accommodation options available which provide a home for life. We have also supported the Shared Lives scheme in Powys and intend over the coming year to invest further into this scheme to support its further expansion. This service supports individuals who need support to live with families in the community rather than going into care.</p>	✓		✓				
	<p><i>Joint Health and Care Strategy</i> – With our partner, the Powys Teaching Health Board we launched the Health and Care Strategy for Powys. This is the first integrated health and care strategy in Wales, demonstrating our commitment to lead the way on truly integrated care for the people of Powys. The strategy is the result of thousands of conversations between the people of Powys, Powys Teaching Health Board, Powys County Council and key partners.</p>			✓				
A more equal Wales	<p><i>Gypsy and traveller sites</i> - Construction works commenced on the Welshpool gypsy and traveller site for two additional pitches. The project has been supported by £405,000 capital investment from Welsh Government grant and council funding. There have been some delays to the work due to technical issues but WG have agreed to extend the grant funding to March 2019 for the work to be completed. The site enhancements have been developed in accordance with Gypsy and Traveller Accommodation Assessment. Full planning permission was secured to develop a new gypsy and traveller site in Machynlleth with five pitches. We are currently undertaking the process of land de-registration and are negotiating with the land owner with regards acquiring the land prior to starting construction works.</p>				✓	✓		
	<p><i>Website improvements</i> - The website, which already had a broad range of information in both Welsh and English with leaflets to download and print, now offers sign language and a new app to make information even easier to access. Our main aim was to ensure that deaf and deafblind people have the same opportunities as everyone else.</p>				✓			

	<p><i>Active offer</i> - In order to implement the 'Active Offer' effectively we have amended systems and processes to enable staff to ascertain and record service users' first language and other languages spoken and have ascertained and recorded staff's linguistic skills in Welsh. Our next step is to promote the allocation of Welsh speaking staff to work with Welsh speaking service users where possible.</p>							
<p>A Wales of cohesive communities</p>	<p><i>Information, advice and assistance</i> - Through PAVO, the council has commissioned computer programmers to develop a link between InfoEngine and Dewis, the national well-being database, so that information from both systems is regularly shared and updated. Providing access to information is really important if we are to give people the opportunity to help themselves by access what they need.</p>		✓		✓			
	<p><i>Community connectors</i> - During 2017/18 we commissioned Powys Association of Voluntary Organisations (PAVO) to employ Community Connectors who are based within multi-disciplinary teams in the wider community and support PPD on a rota basis. The Community Connectors provide information, advice and assistance, support individuals to gain access to their local community facilities, as well as working with communities/local groups to ensure that activities are accessible. Their roles continue to develop but the evidence from case studies demonstrates that they are facilitating independent community living and that many individuals do not require formal social care as a consequence of being signposted to local community-based options as part of the assessment process. 85% of people that said Community Connectors helped to deliver 'what mattered' to them.</p>		✓		✓			
<p>Tudalen 79 A Wales of vibrant culture and thriving Welsh Language</p>	<p><i>Welsh Language Promotion Strategy</i> – We developed and adopted a Welsh Language Promotion Strategy for 2017 to 2022. The council's target in this strategy, along with subsequent strategies, will be to contribute towards the Welsh Government's target of ensuring a million Welsh speakers by 2050. To achieve that target, a third of Powys' population must speak Welsh by 2050, but in the current strategy, the target is to restore the percentage of Welsh speakers in Powys to 21.1% - the figure of the 2001 Census. The Strategy will aim to increase the number of Welsh speakers, increase the use of Welsh and to create favourable conditions to the development and protection of the language, by working within 6 key areas; i) Planning and language policy, ii) Normalisation, iii) Education, iv) People, v) Support, and vi) Rights.</p> <p>The council has also taken advantage of the Urdd National Eisteddfod's visit to the county in 2018 to promote, raise awareness and increase the number of activities through the medium of Welsh, working in partnership with the Urdd, the Mentrau Iaith and other partners.</p>			✓			✓	
	<p><i>Welsh Language and recruitment policy</i> - The new Welsh Language and Recruitment policy, developed and adopted in 2017-18 will increase the Welsh language skills within the authority, and the council's capacity to deliver services through the medium of Welsh. The policy moves away from the practice of using Welsh Essential or Desirable. This has been replaced by specifying the Welsh language skills required for a post, from Level 1 to Level 5; from being able to pronounce names correctly and being able to give and respond to basic greetings, to fluency, in order to be clearer about the skills required to undertake a role as well as</p>			✓			✓	

	reducing anxiety about linguistic skills for potential recruits. Recruiting Managers will need to consider the skills required for a particular role, along with the skills currently within their team, to ensure they have sufficient Welsh language skills within their teams to provide services according to the Welsh Language Standards and More than Just Words.								
A globally responsible Wales	<i>Re-settled Syrian refugee families</i> - Almost 150 Syrian family members who have settled across Mid and West Wales came together at the Royal Welsh Showground in August 2017. The event, hosted on the Royal Welsh Showground and organised by the council's housing service, was an opportunity for the families to meet each other and to share their experiences. Agencies worked together to make sure the day was filled with fun, family activities from football to Zumba and creative crafts.							✓	✓

How much did we spend?

Tudalen 80



Headline capital investments:

- **£925k** – Disabled facilities grant
- **£123k** – Safe, warm and secure home improvement loans
- **£105k** – Gypsy and traveller site in Welshpool
- **£800k** – Housing Revenue Account: Older persons dwellings
- **£300k** – Housing Revenue Account: Level access bungalows

Headline savings:

- **£150k** - Older Day Care - Development of hubs to support outcome focused day activities and respite care
- **£480k** - Learning Disabilities - Remodelling of Day Time Opportunities
- **£350** - Right sizing high cost placements/packages and bring some people back into community living
- **£604k** - Right sizing of Packages - Accelerate Reablement referrals and based on current performance achieved 42% reduction in hours

What are our improvement plans for 2018-2023?

You can see more detail about how we will continue to support people in the community in our Vision 2025: Corporate Improvement Plan 2018-2023. One of our priorities for 2018-2023 is 'Health and Care':

- Focussing on well-being
- Early help and support
- Providing joined up care
- Developing a workforce for the future
- Creating innovative environments
- Developing digital solutions
- Transforming in partnership

Another priority for us in 2018 onwards, is 'Residents and Communities' which focusses on:

- Strengthening community development and resilience
 - Support communities to be able to do more for themselves and reduce the demand on our public services
- Strengthening our relationship with residents and communities
 - Improve our understanding of our residents needs and improve our service delivery

Our plans will contribute to creating a healthier Wales and a Wales of cohesive communities, as well as other national well-being goals.

DEVELOPING THE ECONOMY

Summary assessment of performance:

Overall performance has been good with 27 (84%) out of the 32 commitments/activities in place to support this priority either completed or on target. The remaining 5 were marked as amber. Eight out of the 10 measures used to monitor performance met their target and six also showed improvement, compared to performance in 2016-17.

We said we wanted to make the following difference:

- A thriving tourism economy with increased day and stay visitors taking advantage of outdoor activity opportunities and festivals, and increasing spend
- A dynamic, driven and confident council that finds and exploits opportunities for increasing the Powys economy
- A county that is recognised as a great place to live, work and play which is known for its amazing scenery, as a place for outdoor life and interesting and cultural events and festivals
- An increased population of high earners and professional who live in Powys and either work in the county or from home for organisations elsewhere in the world
- A larger percentage of small to medium sized growth businesses in industry sectors that contribute to the prosperity of the county
- Opportunities, including appropriate training and apprenticeships are available and accessible, ensuring workforce skills are aligned to the skills needs of businesses
- A safe, efficient and reliable transport service and network that enables people and businesses to travel safely to their destination

Tudalen 82

What difference have we made?

Apprentice Story

In March, I was lucky enough to start my apprenticeship with Powys County Council and it's been an exciting first couple of months. University wasn't for me, so when I saw this opportunity advertised on the council's website it was definitely one to go for. And here I am, 2 months later gaining so many great skills and experience. I felt ready to get away from the classroom, so getting paid and gaining a qualification at the same time seemed like an opportunity I could not afford to miss.

I have settled in really quickly with the Culture and Leadership Team in County Hall and already learnt so much. While working full time, I'm also doing a Business Admin Level 2 qualification with ACT training. It's a really flexible course tailored to suit me and it's great that I get a choice of what assignments I do. I'm really looking forward to the next couple of months and to progress further in my role.

Crai Community Led Broadband Project

Support was provided to the community of Crai to address their lack of access to affordable superfast broadband. The community were provided with expertise by Powys County Council's Regeneration Team to assist them in pulling together a community funding bid submitted under the Welsh Government's Access Broadband Cymru Scheme. The bid was successful and by January 2018 has resulted in 75 premises, including 30 businesses in an otherwise isolated rural community now having access to good quality internet services via stable 30MB connection speeds.

The success of the Crai project has already encouraged interest from across the county and particularly around the project area. The project has been developed as a pilot with online tools available on the council's Grow in Powys website to assist other communities looking to develop similar schemes. Since completion of the Crai scheme a further six communities have approached the council for advice and support.

Measure of success	Result 2016-17	Target 2017-18	Result 2017-18	Have we improved?
Provide more apprenticeships, work experience placements and graduate placements to improve opportunities for developing the local workforce	3 apprenticeships and 23 work experiences	To increase from 2016-17 result	<ul style="list-style-type: none"> • 35 apprenticeship opportunities offered • 32 work experience opportunities offered • 1 Graduate employed in the council 	✓
Number of post 16 learners studying key AS and A2 subjects in key strategic sectors e.g. computing, maths, chemistry	939	To increase from 2016-17 result	1072	✓
The percentage of Year 11 leavers not in education, employment or training (NEET) will be less than 3%	1.93%	Less than 3%	0.9%	✓
Number of businesses has grown in strategic sectors: - Energy & Environment	1290	1295	1305	

- Health & Life Sciences - Creative Industries - Tourism	0 300 850	1 302 855	No Data 300 845	-
The survival rate of business in Powys improves	Not available	90% (after 1 year)	91.4% (2015-16 data)	-
The number of businesses relocating to Powys increases	4	4	6	✓
The percentage of population that are economically active increases	80.4%	80.5%	82.0% (Jan to Dec 2017)	✓
Tourism spend increases as awareness of Powys as a destination improves	£729 million (steam 2015)	£700m	£771.28m (2016 data)	✓
Citizens and businesses in Powys are supported by an efficient planning process. Percentage of planning applications determined within 8 weeks or within agreed time	93%	>75%	87%	✗
Significant economic benefit as the investment in council housing to meet the Welsh Housing Quality Standard is achieved. Number of elemental improvements carried out	2649	2600	1172	✗

What progress did we make against our commitments?

National well-being goals	How has our progress contributed to the well-being goals?	Contribution to other goals					
		Yellow	Orange	Red	Dark Red	Dark Blue	Light Blue
A prosperous Wales	<i>New apprenticeship scheme launched</i> – The new scheme offers new employment opportunities for young people to help them into work. The council has for a number of years offered fixed-term apprenticeships and now it has launched a new career-graded apprenticeship. It is believed that that Powys is the first council in Wales to offer this. A career-graded apprenticeship is set over an agreed period with proportional pay. On completion of the apprenticeship, individuals take up a permanent position on full-pay. This contrasts with fixed-term apprenticeships which are offered for a specific time period but with no guarantee that suitable permanent employment will be offered.	✓					
	<i>Support for graduates</i> - In partnership with Powys Teaching Health Board we have participated in a graduate scheme run by Cwm Taf Health Board and during 2017-18 five graduates have been on placement within the council and health board offering them good work experience opportunities as well as attracting high quality graduates into public services. This graduate scheme is being ended by Cwm Taf Health Board in November 2018. However, the council have drafted a graduate framework in conjunction with the University of South Wales, to include models that can be adopted by service areas on opportunities for	✓					

Tudalen 85	employing/recruiting graduates. Work is currently ongoing to promote and raise awareness of this framework for all council services.						
	<i>Careers festival</i> - Around 3,500 young people from all over Powys visited the second Careers Festival at Builth Wells. Students from high schools, special schools and further education campuses visited the 2018 festival which was organised by the Positive Pathways Powys Group, where they had the opportunity to talk to more than 110 exhibitors. As well as Powys students, this year the festival also welcomed some 40 students from Ysgol Henry Richard in Tregaron, Ceredigion. During 2017-18 we also extended our use of social media to promote employment opportunities, for example we promoted opportunities for young people such as apprenticeship and training, through the Positive Pathways Powys facebook and twitter pages. All partners on the Positive Pathways Powys Multiagency group use this as a platform to promote employment opportunities for young people.	✓					
	<i>Adoption of the Local Development Plan</i> - Following the conclusion of the Examination in Public of the Powys Local Development Plan (LDP) and the receipt of the Inspector's Report, the council adopted the LDP on the 17th April 2018 and it became operative immediately. The adopted LDP replaces the former Powys Unitary Development Plan, 2010. The six week period to challenge the validity of the LDP in accordance with Section 113 of the Planning and Compulsory Purchase Act 2004 has passed.	✓	✓			✓	
	<i>Superfast Broadband fibre roll out</i> -The European funded part of Welsh Governments programme came to an end on 31 st December 2017. As a result all engineering works stopped as the contract for delivery expired. In readiness for Phase 2 of the programme we have provided a consultation response to indicate priorities for delivery across Powys. The Phase 2 works are expected to begin in late summer 2018.	✓			✓	✓	
	<i>Agora project</i> – We are a key partner in the development of the Rural Development Programme funded Agora project. Agora aims to help start-up business involved in the production of land based goods and encourages shorter supply chains. The programme is a joint initiative between South Wales local councils and Powys County Council. The three year project was launched at the Winter Fair, Llanelwedd, in November 2017 and there is a dedicated support officer in Powys who is actively engaging with local Powys businesses.	✓					✓
	<i>Marches and Mid Wales Freight Strategy</i> – A new strategy was launched setting out recommendations on how to improve the experience of businesses moving freight within and through the region, whilst enhancing the quality of life for residents near to key freight corridors and reducing environmental impacts. Both rail and road options are included. It is anticipated the strategy could provide benefits to operators of heavy goods vehicles (HGV) worth at least £149m. This would be achieved through a series of highway enhancements focused on increased opportunities for safe overtaking; improvements to alleviate bottlenecks; and changes at certain key locations to allow 44 ton HGVs to operate across the whole of the freight network.	✓					

Tudalen 86	<i>Mid Wales Growth Deal</i> - We were tasked with taking the lead on the development of an evidence base for the Mid Wales Growth Deal. Working with Ceredigion County Council we have secured £30K of support from Welsh Government to fund the work needed to develop the evidence base. Tenders for the project were issued in early January 2018 and a contractor, Aecom Ltd, appointed to develop the work.	✓						
	<i>Grow in Powys Promotional Activity</i> – The Grow in Powys email news service has been distributed regularly to over 1500 Powys businesses and organisations. The bulletin compiles all the support that is available to Powys businesses from a range of agencies and council services. The news service includes upcoming local business events, local business intelligence, free support, and business achievements in Powys. Following the success of the Powys Drop in Business Clinic event in 2016 two further events were organised in the spring of 2017. Supported by council departments and external business support agencies the events were held in Newtown and Brecon. The events were a great success and well attended by local businesses. Over 80 businesses were assisted through this support initiative.	✓						
	<i>Workways + Powys</i> - A new project to support people over 54 get back into work was launched and is called Workways + Powys. The service is being delivered by PRIME Cymru on behalf of the council and offers free and individual support to help people overcome barriers to getting back into work, such as mentoring, confidence building, online and traditional job search techniques, interview skills, help with CV writing or guidance on setting-up in business. Through 2017-18 it supported 121 individuals, 18 of whom actually obtained employment in the year.	✓		✓				
	<i>Plans for new council homes</i> - We approved plans to develop a phased five year programme for the development of new council homes across the county. The plan will look to build around 250 properties in the next five years. In October 2017 we purchased 6 one bedroom flats in Crickhowell, developed on the council's behalf by Melin Homes. These are the first new purpose built council homes in Powys since the 1980s.	✓		✓				
	<i>Home grown homes</i> – We secured £1.5 million from the European Rural Development Programme grant to progress the Home Grown Homes project. All new council homes developed from this point on will seek to maximise the use of locally grown and home grown timber.	✓	✓					✓
	<i>Infrastructure improvements</i> - We invested £150k to replace an old bridge near Llanbister. The investment in Bron yr Efail bridge has provided a long-term access solution to a number of properties that need to use this bridge. <i>Other</i> Transport links were also improved through grant funding alongside major maintenance of road links. Operational efficiencies have also been gained through the continued replacement of age expired operational fleet, the introduction of road repair machines, upgrading of out of date car park machines, improving the depot and HWRC infrastructure and completing the replacement of all street lighting units.	✓						
A resilient	<i>Flood protection improvements</i> - We have implemented six small flood alleviation schemes which involve drainage and infrastructure improvements to improve local flood protection measures, the schemes are:		✓				✓	

Tudalen 87	Wales	Gurnos Woods, Ystradynlais, Oaklands Culvert, Builth Wells, Sarnau village, Gypsy Castle Lane, Hay-on-Wye, Springfields, Forden, Watery Lane, Castle Caereinion.							
		<i>Llandrindod lake regeneration</i> –We successfully secured £126,400 grant funding to carry out works in the Llandrindod Wells’ Lake Park area. The grant, which has been funded by the European Union through the Welsh Government’s Rural Community Development Fund, will also be used to improve the offer for visitors to the area. Works totalling £173k to enhance the lake park area has improved cycle links and footpaths, improved facilities available at the lake itself, and provided commercial concessions for two new business opportunities.	✓	✓	✓				
	A healthier Wales	<i>Council home improvement works</i> - We have continued to carry out improvements to the council’s housing stock and are on track to achieve Welsh Housing Quality Standards (WHQS) by December 2018. A total of 1173 elemental improvements were carried out in 2017/18 against a target of 2600. The improvements we didn’t achieve along with underspent budgets were rolled into our 2018-19 programme of work and we are target to achieve the WHQS by the end of 2018. This includes kitchen and bathroom installations, which ensures that all council tenants live in compliant and fit for purpose property. The WHQS continues to provide capital investment year on year, 85% of which is spent with Welsh companies. Tenant satisfaction with the works completed is at 83%. Households continue to live in good quality homes, which affect the health and well-being of our communities. WHQS improves the quality of areas where our communities live, creates jobs, training and sustains the supply chain opportunities in some of our poorest areas.	✓		✓				✓
		<i>Active travel improvements</i> - Paths have been improved in Presteigne as part of a Safe Routes in Communities project, which has been funded by the Welsh Government. The project aims to improve active travel facilities in the town so that more residents are encouraged to travel short journeys by walking or cycling rather than by vehicle. This will help improve the health and well-being of local people, reduce congestion and improve the environment. Active travel improvements have also been completed in Llandrindod, including widening sections of the footpath along Spa Road and creating a safer crossing point.	✓		✓				
	A more equal Wales	<i>Successfully reduced the number of learners not in education, employment or training</i> - We have continued to monitor the percentage of Year 11 school leavers known not to be in education, employment or training (NEET) and in September 2017 the NEET figures were reduced to 0.9%. This is the lowest we’ve ever achieved and the second lowest in Wales after Ceredigion (0.8%). Our Youth Service worked with the high schools and Careers Wales to identify those young people most at risk of becoming NEET following Year 11. Contact was made with these young people in summer 2017 and additional transition support was offered. Work over the late summer and autumn concentrated on Careers Wales and the Detached Youth Work team tracking young people into their post-16 provision.	✓			✓			

A Wales of cohesive communities	<i>Community Regeneration Development fund</i> - The Community Regeneration Development Capital Fund has supported projects to the value of £230,000.					✓		
A Wales of vibrant culture and thriving Welsh Language	<i>Y Gaer, cultural hub, Brecon</i> - Work on the new flagship cultural centre facility continued, which will see the town's Grade 2* listed Brecknock Museum and Art Gallery fully refurbished and include a new library and community facilities.	✓				✓	✓	
A globally responsible Wales	<i>Electric vehicle charging points</i> - Proposals were accepted to introduce electrical vehicle charging points in council owned car parks. The country is seeing an increase in electric vehicle ownership so it is important that we look to introduce this infrastructure in Powys now. By providing an accessible network of electric vehicle charging points, we will be playing a key role in encouraging the uptake of electric vehicles, which will help improve air quality by reducing emissions from our roads.		✓					✓

Tudalen 88

How much did we spend?

Headline capital investments:



- **£11.145m** - Improvements to the councils housing stock and the acquisition of new council homes
 - **£1.62m** - Delivering improvements and adaptations to the private sector housing stock in Powys
 - **£156k** – Bronyrefail bridge replacement
 - **£1.6m** – Highways Asset Management Plan
- **£120k** – Community Regeneration and development fund
- **£4.7m** – Brecon Cultural Hub

Headline savings:

- **£50k** – Additional income from planning fees
- **£18,740** – Set up Joint Venture company to deliver property services

What are our improvement plans for 2018-2023?

You can see more detail about how we will continue to develop a vibrant economy in our Vision 2025: Corporate Improvement Plan 2018-2023. One of our priorities for 2018-2023 is 'the economy' which focusses on:

- Providing support for businesses to grow
- Promoting Powys as a place to live, visit and do business
- Improving the availability of affordable and sustainable housing
- Improving our infrastructure to support regeneration and attract investment
- Improving skills and supporting people to get good quality jobs

Our plans will contribute to creating a prosperous Wales, a more equal Wales and a globally responsible Wales, as well as other national well-being goals.

DRAFT

LEARNING

Summary assessment of performance:

Overall performance has been adequate with 23 (62%) out of the 37 commitments/activities in place to support this priority either completed or on target. 13 were marked as amber and only 1 red. Only one measure used to monitor success met its target, eight were within 10% of meeting their target and 4 were 10% or more from reaching their target. Only three measures showed improvement, compared to performance in 2016-17.

We said we wanted to make the following difference:

- Our learners will be supported to achieve their potential in a modern, inclusive learning environment
- Access to Welsh medium education will have improved

What difference have we made?

Sensory Services – journey of a young adult

Leuan Sparey, Psychology Student at University of Worcester, in conversation with Heidi Lorenz, Teacher of the Visually Impaired, Powys Sensory Service.

When working with pre-school, primary or secondary aged children and young people, it is impossible to know which of the games played, ideas discussed, programmes implemented, or seeds sown, will take root and flourish in later years. However, one young Powys adult believes that if we “Use children’s personal interests, these and their life experiences can lead them to particular courses.”

“The course is great. There are lots of different branches of psychology; forensic psychology sounds very interesting – it can feed into a range of careers, including working for the National Crime Agency.” And this from a young adult who was inspired to write detective stories when he was in Primary School!

Leuan has always been a reflective individual. He recognises that “Why I’m like I am has probably a lot to do with everything I’ve experienced; just from physio... at first I had a ‘this hurts’, ‘this causes me pain’, ‘I don’t want to do this’ attitude, and after my op, when it was worse than before, I had to start thinking more positively about why I needed to carry out my exercises; and when we used to spend all that time editing my work and grammar and spelling, it did impact me to start thinking about what I liked reading, what I wanted to learn about. You taking an interest made me want to learn the practicalities of good writing, and that’s carried on to now, with my wanting to make my writing more academic - more professional.”

Leuan continued: “Looking back and looking forward, I can see that using, or attempting to use, ‘Dragon Naturally Speaking’ in school was a help for the future. It prepared me for the frustrations of technology for a start! The software is more reliable now thank goodness. I still use ‘Dragon’ at Uni as well as ‘Claro Read’ so they were good skills to learn.”

After leaving John Beddoes, Ieuan went to RNC in Hereford. He thinks the time he spent there further developed his independence and increased his confidence in being able to live away from home. "Knowing what I needed when I got to Worcester definitely helped me. Some of the other people there found it much more difficult. I have been asked by the University to participate in some research in visual impairment and access to assist them improve the experience of any future visually impaired students."

When asked if there was anything in particular to he would like to pass on to educational professionals Ieuan paused for moment: "Teach the child whatever it is you are teaching them, but the main thing, for kids especially, is that they trust you to guide them. The more you can act as advocate for someone, the more you will aid their learning - we learn better from people we trust."

Measure of success	Result 2016-17	Target 2017-18	Result 2017-18	Have we improved?
The percentage of pupils eligible for free school meals attaining the Core Subject Indicator (CSI) at key stage 2	68.3%	78%	73.6%	✓
The percentage of pupils eligible for free school meals attaining the CSI at key stage 3	71%	78%	72%	✓
The percentage of pupils eligible for free school meals attaining the CSI at key stage 4	41.7%	42%	32%	✗
% of pupils with additional learning needs achieving the CSI at key stage 2	65%	68%	64%	✗
% of pupils with additional learning needs achieving the CSI at key stage 3	62.1%	69%	62%	✗
% of pupils with additional learning needs achieving the CSI at key stage 4	24.8%	28%	31%	✓
The number of permanent exclusions in primary schools (per 1,000 pupils)	0	0	0.3	✗
The number of permanent exclusions in secondary schools (per 1,000 pupils)	1.61	0.3	1.21	✓
Attendance levels at primary schools	96%	96.5%	95.5%	✗
Attendance levels at secondary schools	95%	95.5%	94.6%	✗
% of 15 year olds leaving full time education without a recognised qualification	0.073%	0%	0.156%	✗
% of schools inspected that were categorised as 'good' or better by Estyn for prospects for improvement	63.5%	70%	62.4%	✗
% of schools inspected that were categorised as 'good' or better by Estyn for current performance	59.4%	70%	57%	✗

What progress did we make against our commitments?

National well-being goals	How has our progress contributed to the well-being goals?	Contribution to other goals					
		Yellow	Orange	Red	Dark Red	Dark Blue	Light Blue
<p>A prosperous Wales</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Tudalen 92</p>	<p><i>21st Century School Programme</i> - The first round of the authority's 21st Century Schools Programme, an £80m joint initiative between the local authority and the Welsh Government, had a number of projects in development:</p> <ul style="list-style-type: none"> Gwernyfed primary schools - Following a reconfiguration of primary education in the Gwernyfed catchment, the council has invested in five new primary schools in this area of Powys. The schools have an innovative 'street' space that provides a flexible area for teaching and learning Brecon high school - Construction has now started on the new 750 place secondary school, to replace the current school which is in a very poor condition. The school is expected to open in 2019 and will provide bilingual education for 11—18 year olds in the area Gwernyfed high school - The authority is working on remodelling of Gwernyfed High School, with plans to develop a new teaching and learning block, a new sports hall and refurbish some of the current teaching blocks. The design process is now underway Ysgol Calon Cymru - Llandrindod High School and Builth Wells High School are merging to become a new school on two sites in September 2018, and the Senior Leadership Team has been appointed Ysgol Bro Hyddgen, Machynlleth - Ysgol Bro Hyddgen was established as the authority's first all-through school in 2014. The next stage of the project will see the construction of a flagship 21st Century School building that will, for the first time, bring the primary and secondary campuses on the same site with brand new sporting and community facilities. The new school will be the first Passivhaus accredited all-through school in Wales and in the UK. Work is expected to start on site in 2019 with the school due to open by September 2020 Welshpool - Following the successful reorganisation of primary education in Welshpool, we are now looking forward to stage 2 of the project, which is the construction of two new primary schools. Welshpool CiW Primary School will be a 360 place English medium school and Ysgol Gymraeg y Trallwng will be a 150 place Welsh medium school. <i>CADW has confirmed that the Howell Drive site (previously Ysgol Maesydre) is now a listed building and we are working on a new design for which includes the listed building. Both schools are expected to open in September 2019 and 2020 respectively.</i> Ffwederasiwn Carno, Llanbrynmair and Glantwymyn - This formal federation of schools will see an investment in a new school building in Carno, to replace the current demountable, and remodelling at Ysgol Glantwymyn 	✓				✓	

Tudalen 93	<p><i>Performance of secondary schools in Estyn follow up categories has improved</i> – At the end of 2016-17 academic year, five secondary schools were in Estyn statutory follow-up categories. The pace of improvement has significantly improved since the Summer of 2017. We have improved how we hold schools causing concern to account through establishing School Improvement Boards which have clearly defined terms of reference and meet each half term. We have also strengthened the function of these improvement boards through robust challenge by our officers, agreeing actions for improvement and holding schools to account. Most schools causing concern display strong progress in achieving agreed actions within the appropriate timescale. As a result, by the end of the 2017-18 academic year, there are now three Powys secondary schools in an Estyn follow up category.</p>	✓						
	<p><i>Continued support for school leaders</i> - Leadership has remained a key focus with 11 primary schools having acting headships at the start of the academic year 2017-18. Mentor head teachers have been assigned to all new and acting head teachers to provide them with the support needed as they begin to lead their schools. We have also been actively promoting and supporting school to school support by providing financial provision to schools to broker additional support from head teachers and staff from high performing schools. Consequently, a significant number of schools have made good progress as a result of this support. Bespoke core visits during both the spring and summer terms have also focussed clearly on the quality of provision, wellbeing, care, support and guidance and leadership in schools. These visits effectively evaluate the impact of support on pupil outcomes, provision and leadership against the identified priorities. They also identify any further support needs.</p>	✓						
	<p><i>Increased early years pre-school education infrastructure</i> – Following a commissioning process there are now 80 early years providers across Powys providing early learning provision for three and four year olds. With the re-commissioning of Early Years provision the local authority has identified a need for focus of training for early years settings both maintained and non-maintained. The local authority is restructuring its support for Early Years/ Foundation Phase to ensure a seamless transition from Flying Start to Early Years to school to ensure appropriate capacity and expertise.</p>	✓		✓				
	<p><i>Home to school transport policy</i> – We revised the home to school/college transport policy and consultations on the proposals began in May 2018, including workshops and an online survey.</p>	✓						
	<p><i>Schools with deficit budgets</i> - An enhanced multi-disciplinary strategy for managing schools in deficit or at risk of entering deficit has been developed. This work has focused on the secondary sector and has already seen significant improvement in the budget planning and forecasts for schools including Llanfyllin High School and Ysgol Uwchradd Caereinion. Over the last 12 months, we issued a warning notice to six secondary schools and two primary schools, requiring these schools to take action to address their deficit budgets. The few schools with excess surplus balances are consistently challenged regarding the justification for the level of reserves they choose to hold. Almost all the schools with surplus balances in</p>	✓						

	2017-2018 intend to utilise reserves to mitigate against risk from projected financial challenges in the next three years.						
Tudalen 94	A more equal Wales <i>Support for children with additional learning needs</i> – We have made significant improvements to our processes and procedures and we continue to evaluate, develop and refine ALN and Inclusion approaches where necessary. Key permanent appointments have been made to the management of the Additional Learning Needs Service which has secured capacity and experience to support the management and development of the service. However, there are challenges in ensuring that there is a consistent approach taken to learner entitlement in all parts of the county and further work is needed to ensure that all schools have the capacity to deliver the aspirations in local policy and in the 2018 national legislation. We have begun a review and transformation project related to ALN and Inclusion to ensure that it is modernised and meets what is required in the ALN and Inclusion Act that will be in place for 2020. This major reform and change programme will affect every school in Powys and related services providing support for children and young people with additional learning needs across universal, targeted and complex levels. At all Key Stages and in respect of all categories of SEN (school action, school action plus and statemented) Powys pupils perform above Wales averages, often being within the top 5 of the 22 Welsh local councils.			✓	✓		
	<i>Improving pupil outcomes</i> – School Challenge Advisers have continued to support schools to improve outcomes for all pupils, with a specific focus on narrowing the gap between free school meal pupils and non-free school meal pupils. Comparative data for each phase in English shows that the gap in attainment for FSM pupils narrowed in key stage 2 and key stage 3. However, in foundation phase and key stage 4 the gap increased. Comparative data in Cymraeg shows that there was significant improvement of FSM pupils in key stage 2, whilst the gap in foundation phase remained the same. However, in key stage 3 and key stage 4 the gap in attainment for FSM pupils to non-FSM pupils increased. Schools in need of support for FSM pupils have been identified during the autumn term 2017 and training has been provided for these schools.				✓		
	<i>Roll out of the Cashless payment system</i> - Roll out was completed in all our primary, secondary and special schools on target by the end of March 2018 and under budget (capital expenditure for implementing the project was £750k against an original budget of £950k). Significant benefits have been realised from implementing the system, including an increase in the uptake of free school meals and a £172k of savings from removal of cashier’s posts in primary schools. The system has proved to be more efficient for pupils, parents and schools while also reducing risks for the council of holding cash in schools.				✓		
A Wales of cohesive communities	<i>New Plans for Powys Schools Policy adopted</i> – The new policy sets out our aims to move forward with a greater focus on working in partnership with schools and the communities they serve, and on alternative models of delivering education, such as collaboration models, federation, multi-site schools and all-through schools. We have also published a Delivery Plan which outlines our work programme for the period 2018-21; the priorities are:					✓	✓

	<ul style="list-style-type: none"> Secondary schools to become 'all-through schools', or part of multi-sited arrangements Small primary schools to be part of formal collaborations /federations / amalgamations Remove infant / junior split by creating 'all-through' primary schools New Welsh-medium provision to be established Improvements to the Powys schools estate, either as part of the Welsh Government's 21st Century Schools Programme or as part of the council's Asset Management Programme A new model for delivering post-16 provision to be implemented; and Transforming the delivery of support for pupils with additional learning needs 							
A Wales of vibrant culture and thriving Welsh Language	<i>Welsh Language Charter launched</i> - The Welsh Language charter for Welsh-medium primary schools and streams in the county will encourage and recognise those schools who succeed in creating a positive attitude towards the language and increase the use of Welsh by pupils. Schools will work towards bronze, silver and gold awards, which they will achieve depending on the opportunities they provide for pupils to use Welsh in formal and informal situations.							✓
	<i>Welsh in Education Strategic Plan</i> – We approved a Welsh in Education Strategic Plan covering the next three years up to 2020 to show how we will contribute to achieving the outcomes and targets set out in the Welsh Governments Welsh-medium Education Strategy.							✓
A globally responsible Wales Tudalen 95	<i>International school award</i> - Crickhowell High School received the British Council's International School Award in recognition of their work in bringing the world into the classroom. The International School Award celebrates the achievements of schools that do exceptional work in international education. Fostering an international dimension in the curriculum is at the heart of the British Council's work with schools, so that young people gain the cultural understanding and skills they need for life and work in today's world.	✓						✓
	<i>New energy-saving project was launched</i> - Our Future's People', is a sustainable energy project run by Severn Wye Energy Agency and was launched in 10 Powys schools. The project will equip the next generation with the skills and knowledge necessary to cope with the social and environmental changes that will occur in the near future.	✓	✓					

How much did we spend?

Headline capital investments:



- **£17.8m** – Gwernyfed School Catchment modernisation
- **£1m** – Brecon School campus
- **£930k** – Welshpool primary school

- **£325k** – Ysgol Bro Hyddgen
- **£287k** – Cashless system for schools

Headline savings:

- **£873k** - Raise the age of admission to one point of entry in September annually following a child's fourth birthday
- **£150k** – Review of fair funding formula
- **£340k** – Reduction in school roll
- **£25k** – Restructuring of school service

What are our improvement plans for 2018-2023?

You can see more detail about how we will continue to improve learner outcomes for all in our Vision 2025: Corporate Improvement Plan 2018-2023. One of our priorities for 2018-2023 is 'Learning and Skills' which focusses on:

- Improving the educational attainment of all pupils
- Supporting children and families to have the best start in life
- Improving our schools infrastructure
- Improving the skills and employability of young people and adults

Our plans will contribute to creating a prosperous Wales, a resilient Wales and a Wales of vibrant culture and thriving Welsh Language, as well as other national well-being goals.

04. Working sustainably

How have we applied our guiding principles in 2017-18?


The Well-being of Future Generations (Wales) Act 2015 challenged public bodies in Wales to think more about the way they work and deliver services. It introduced five ways of working which focus on thinking more about the long term, looking to prevent problems before they arise, taking a more collaborative and integrated approach, and working better with residents and communities. We know that changing the way we work means changing people's behaviours and changing the organisational culture which isn't easy. As a first step we made the five ways of working our guiding principles, which means they are at the heart of our corporate and service planning.

During 2017-18 we started making some changes, but there is still a lot to do to ensure sustainable development shapes all our thinking and helps us deliver better outcomes. We introduced a Corporate Leadership and Governance Plan which has eight areas for improvement.

1. Political leadership
2. Officer leadership
3. Workforce strategy
4. Strategic and financial planning
5. ICT and business systems
6. Performance management
7. Communications strategy/engagement
8. Partnerships



These areas for improvement will help us focus change where it is needed most and will help us adapt our ways of working in line with the seven corporate areas of change set out in the guidance of the Act (these are: corporate planning, performance management, financial planning, workforce planning, risk, assets and procurement).

The table below outlines some of the initial steps we have put in place to implement our Corporate Leadership and Governance Plan and apply the principles in our work.

Sustainable development principles:	How have we applied the principle?	What we plan to improve in 2018-19
<p>Long-term Balancing short-term needs with the need to safeguard the ability to also meet long-term needs</p> 	<p><i>Corporate planning</i> – For the first time, the council's Cabinet developed a Corporate Improvement Plan covering four years, rather than focusing on annual improvements. Work has also been undertaken to integrate the corporate planning cycles of the PSB partners, to ensure our plans say and do the same things, where relevant.</p>	<p>We will continue to strengthen our financial planning arrangements and are in the process of agreeing a Medium Term Financial Strategy which will</p>

	<p><i>Performance management</i> - We agreed and began to implement a new Performance Management and Quality Assurance Framework which lays out the common systems and methods needed to perform and improve, helping us to work as one 'joined up' community rather than separate services. A new more robust approach to performance management has seen our Executive Management Team and Cabinet be challenged on a quarterly basis and think more about the longer term impact of our performance. We have continued to develop a suite of standard, integrated and interactive desktop reports for staff across the organisation to provide them with relevant and accurate performance information for making decisions and identifying areas for improvement.</p> <p><i>Financial planning</i> – We have developed a modern five year budget plan for revenue and capital in order to improve our financial resilience and meet the financial challenges we face. This includes the holding and use of reserves to ensure that we maintain a level of contingency for unexpected pressures. Our well established budget monitoring framework ensures that we identify variances to budget as early as possible in order to take corrective action if required. We have also developed a clearly defined financial framework and timetable and have held budget seminars and workshops with members and officers.</p> <p><i>Workforce planning</i> – We started developing operational workforce plans at a service level including having a planned approach to those leaving the organisation through retirement etc. We also continued to deliver ILM leadership programmes which raise awareness of the council's vision and priorities for the long term. Dedicated member development sessions have been held with elected members to raise awareness of the Well-being duty and we also continued to deliver impact assessment training to staff.</p>	<p>be clearly aligned to our Vision 2025 Corporate Improvement Plan.</p> <p>We will continue to implement the new Performance Management and Quality Assurance Framework and will introduce performance management training for all new managers as part of their induction training.</p> <p>We will embed workforce planning as part of the business planning cycle – using 6 steps methodology.</p>
<p>Prevention Putting resources into preventing problems occurring or getting worse</p> 	<p><i>Corporate Planning</i> - The Children and Young People Partnership has started testing how it can help deliver an Early Help Model and other elements of the Start Well Programme (part of the Powys Heath and Care Strategy/Joint Area Plan). This also involves aligning Early Help/Child Poverty programmes in preparation for an integrated commissioning strategy. We are exploring models of early help hubs in other places to design an appropriate service for Powys.</p> <p><i>Risk</i> – We developed a risk management guide and toolkit to help ensure that at all</p>	<p>A key next step is to ensure that all professionals understand and respect the role of Information, Advice and Assistance (IAA) and their responsibility for it in changing the way families can interact with organisations at an early stage of their involvement.</p>

	<p>levels of the organisation we are able to identify risks which would prevent us from achieving our objectives (including failing to take advantage of opportunities). All the council's risks are recorded and monitored centrally ensuring that they are managed effectively and we look to put action in place to prevent problems occurring or getting worse.</p> <p><i>Assets</i> – During 2017-18 we agreed a new Strategic Asset Management Plan, which is based on a 'place' approach. Rather than looking at each council service area separately, we have looked at each geographic "place" across Powys instead so we can better understand our portfolio in the round, identify regional opportunities e.g. co-locations and better plan for the future. Taking a "place" approach recognises the importance of communities and should improve community involvement and engagement. Effective management and development of our assets also provides opportunities for employment and business start-ups.</p> <p>Through our community delivery project and Community Asset Transfer work, we have continued to seek opportunities for ensuring we make the best use of our assets and ensure that they are retained by communities who value them. When building our new schools we also ensure that they are designed for the benefit of our communities and are environmentally sustainable.</p> <p><i>Procurement</i> – We signed up to the Welsh Government Code of Practice on Ethical Employment in Supply Chains, which means we will commence the journey to meet the 12 requirements of the code to ensure that workers in the public sector supply chains are employed ethically. We are also in the process of developing a Modern Slavery Policy which adopts an integrated approach bringing together key areas of Safeguarding, Policy Support, Human Resources, Procurement and Civil Contingencies to ensure that there is no modern slavery or human trafficking in our supply chains or in any part of our business.</p>	<p>The Children and Young People Partnership has made this a priority action, within the work being done to develop prevention and early intervention across all public services. We will implement regular reporting under the Corporate Improvement Plan for delivery of Information, Advice and Assistance (IAA).</p>
<p>Integration (cross-cutting) Considering how our priorities may impact upon one another, on the well-being goals and on the priorities of other public bodies</p> 	<p><i>Corporate planning</i> - We have ensured that our revised well-being objectives published in Vision 2025 Our Corporate Improvement Plan 2018-2023 fully support and complement each other. For example, learning and skills are key to a thriving economy and business growth and will help attract inward investment. Good education and employment opportunities will help maintain resilient residents and communities and resilient communities are vital to health and care. We also reviewed and changed our</p>	

<p>Collaboration Working together with other partners to deliver our priorities</p> 	<p>objectives to ensure that they align with the PSB well-being objectives.</p> <p><i>Corporate planning</i> – We have worked with partners in the PSB to develop a collaborative Well-being plan and we have also worked closely with Powys Teaching Health Board to develop a Health and Care Strategy that will strengthen integration between our social services and health care services.</p>	<p>We will establish effective joint scrutiny arrangements for the Public Service Board, Regional Partnership Board and Joint Partnership Board.</p> <p>We will update the population and wellbeing assessment to inform our plans and decisions.</p>
<p>Involvement Involving those with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area</p> 	<p><i>Consultation and engagement</i> - Over the past year we have continued to build a dialogue and engage with Powys citizens in a number of ways, whilst also beginning to grow and utilise social media channels to ensure we hear from as many stakeholders as possible when we are looking to change the way we deliver services.</p> <p>During 2017/18, we carried out a wide range of engagement work with our residents, covering a wide range of topics and using a variety of methodologies. Some of the major projects included:</p> <ul style="list-style-type: none"> • We have also consulted the public on proposals for reshaping the way the council delivers its youth service via an online survey alongside engagement with all the youth workers themselves to capture views and ideas on how to develop and deliver the service going forward • A comprehensive consultation was carried out to seek views on the council’s current rights of way network ahead of writing a new 10 year Rights of Way Improvement Plan. The consultation consisted of three specific surveys targeting key stakeholders – the public, Town and Community Councils and landowners alongside meetings and workshops held with access groups, the healthy weights group and the older people’s forum • The schools organisation code was also the subject of a consultation during the year, with drop –in sessions organised across the county to seek the public’s views in tandem with online and offline surveys • On a more localised note, the council also asked the community of Machynlleth for their views on a location for additional cemetery provision for the town. Again, online and offline surveys and drop-ins were used to seek the views of the community 	<p>We will create an overarching Council Communications and Engagement Plan which is aligned to our Vision 2025 programmes of work. As part of the plan we will review and enhance ways of engaging with people around the difficult challenges we are facing, e.g. Annual Resident Satisfaction Survey, ‘Taking the Council to the People’ roadshows and digital approaches including Delib Dialogue tool.</p>

- Working with a variety of partners under the banner of the Powys Local Service Board, we sought the public's views on the development of a Well-being Plan as part of the Well-being of Future Generations Act responsibilities. This involved a three phase consultation. Over a thousand residents were engaged in Phase I and Phase III and views expressed helped shape the final plan which has now been adopted by the Powys Public Service Board. Drop in sessions at libraries and supermarkets, face to face meetings with community groups and an online survey helped to capture the views of residents from across all walks of life including disability groups, housing tenants and the voluntary sector. We also worked together with Powys Teaching Health Board to seek public input into our joint Health and Care Strategy
- We also carry out extensive engagement with social care clients to seek their views on the services we deliver - as part of the Social Care and Wellbeing Act – using a mixture of online and offline surveys. Other services also carry out customer research into the services they deliver – both internally and externally – including the Registration Service and internal departments such as Human Resources

05. How does our performance compare to other Welsh councils?

N.B. The all Wales analysis currently excludes data on waste and social care indicators as they are not yet available (8 out of the indicators).

As well as monitoring performance against the commitments and performance measures in our own Corporate Improvement Plan 2016-19, there are a set of national performance indicators which the Welsh Government requires us to monitor and report to the public. They allow us to compare our performance with the other 21 council's across, Wales in delivering key statutory services.



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In summary:

- We were among the top quartiles in Wales for 10 (56%) indicators
- We were among the bottom quartiles in Wales for 7 (39%) indicators. There is no quartile data available for one of the indicators
- We improved our performance in 28.6% of the indicators, compared to performance in 2016-17
- Our performance fell for 42.9% of the indicators, when compared to performance in 2016-17

We are among the highest in Wales (Upper Quartile) for:

- The average number of calendar days taken to deliver Disabled Facilities Grant (ranked 1st)
- Percentage of appeals against planning applications dismissed (ranked 1st)
- Percentage of pupil attendance in primary schools (ranked 2nd)
- Percentage of year 11 leavers known not to be in education, training or employment (NEET) (ranked 2nd)

We were among the lowest in Wales (Lower Quartile) for:

- Percentage of empty private sector properties brought back into use during the year through direct action by the local authority (ranked 19th)
- The percentage of reported fly tipping incidents cleared within 5 working days (ranked 19th)
- The percentage of principal B roads that are in overall poor condition (ranked 20th)
- The percentage of principal C roads that are in overall poor condition (ranked 22nd)

The following table details our performance against each of the individual indicators, showing our performance in 2017-18 compared to previous year's performance and our rank and quartile position on an all Wales level.

Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Actual	Trend between 2016/17 to 2017/18	Welsh Average	All Wales Rank and quartile position (Upper=1 st to 6 th (Upper Middle=7 th to 11 th Lower middle=12 th to 16 th Lower=17 th to 22 nd)
Adults – Social Care								
Percentage of adults who are satisfied with the care and support that they receive	Awaiting National Data							
The rate of delayed transfers of care for social care reasons per 1,000 population aged 75 or over								
Percentage of carers reporting that they feel supported to continue in their caring role								
Children – Social Care								
Percentage of children who are satisfied with the care and support that they receive	Awaiting National Data							
Percentage of assessments completed for children within statutory timescales								
The percentage of children looked after on 31 March who have had three or more placements during the year								
Housing / Homelessness / Planning								
The average number of calendar days taken to deliver a Disabled Facilities Grant	268	170	152	126	122	↑	213	1st Upper

Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Actual	Trend between 2016/17 to 2017/18	Welsh Average	All Wales Rank and quartile position (Upper=1 st to 6 th (Upper Middle=7 th to 11 th Lower middle=12 th to 16 th Lower=17 th to 22 nd)
Percentage of empty private sector properties brought back into use during the year through direct action by the local authority	n/a	n/a	n/a	n/a	1.4	n/a	5.2	19th Lower
Percentage of households threatened with homelessness successfully prevented from becoming homeless	n/a	n/a	n/a	n/a	63.3	n/a	66.4	14th Lower Middle
Percentage of all planning applications determined within required time periods					88.1	n/a	88.5	16th Lower Middle
Percentage of appeals against planning applications dismissed					100	n/a	62.2	1st Upper
Leisure / Libraries								
(LCL/001) The number of visits to Public Libraries during the year, per 1,000 population	6399	6,002	6,193	5,726	5,411	↓	5,270	7th Upper Middle
LCS/002(b): The number of visits to local authority sport and leisure facilities during the year per 1,000 population where the visitor will be participating in physical activity	7885	7,348	7,075	8511	8,873	↑	8,502	9th Upper Middle
Education								
Percentage of pupil attendance in primary schools	94.2	95.6	95.7	95.7	95.5	↓	94.9	2nd Upper
Percentage of pupil attendance in secondary schools	93.3	94.4	94.7	95	94.6	↓	94.1	5th Upper

Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Actual	Trend between 2016/17 to 2017/18	Welsh Average	All Wales Rank and quartile position (Upper=1 st to 6 th (Upper Middle=7 th to 11 th Lower middle=12 th to 16 th Lower=17 th to 22 nd)
The percentage of year 11 pupils achieving the Level 2 threshold including a GCSE grade A*-C in English or Welsh first language and mathematics in schools maintained by the local authority	N/A	N/A	N/A	N/A	62.2	n/a	54.8	3rd Upper
Percentage of year 11 leavers known not to be in education, training or employment (NEET)	N/A	N/A	N/A	N/A	0.9	N/A	1.6	2nd Upper
Waste Management								
(WMT/004) The percentage of municipal waste collected by local authorities sent to landfill	37.56	35.62	25.79	21.02	Awaiting National Data			
(WMT/009) The percentage of municipal waste collected by local authorities and prepared for reuse and/or recycled, including source segregated biowastes that are composted or treated biologically in another way	52.52	52.07	59.13	65.20				
Street Scene								
The percentage of highways inspected of a high or acceptable standard of cleanliness	99.6	97.8	N/A	N/A	N/A	N/A	N/A	N/A
The percentage of reported fly tipping incidents cleared within 5 working days	91.81	90.09	91.56	85.95	87.69	↑	95.08	19th Lower
Transport and Highways								

Measure	2013/14 Actual	2014/15 Actual	2015/16 Actual	2016/17 Actual	2017/18 Actual	Trend between 2016/17 to 2017/18	Welsh Average	All Wales Rank and quartile position (Upper=1 st to 6 th (Upper Middle=7 th to 11 th Lower middle=12 th to 16 th Lower=17 th to 22 nd)
The percentage of principal A roads that are in overall poor condition			2.8	3.6	3.9	↓	3.7	14th Lower Middle
The percentage of principal B roads that are in overall poor condition			5.2	5.5	5.7	⇒	4.3	20th Lower
The percentage of principal C roads that are in overall poor condition			25.1	24.4	23.0	↑	14.1	22nd Lower
Public protection								
The percentage of food establishments which are 'broadly compliant' with food hygiene standards	90.28	94.69	90.93	96.01	95.88	↓	95.27	10th Upper Middle
Corporate Services								
CHR/002: The number of working days/shifts per full-time equivalent (FTE) local authority employee lost due to sickness absence	N/A	7.4	10.6	9	9.7	↓	10.4	7th Upper Middle

06. Listening to our regulators

We are answerable to a number of external regulatory bodies, who perform inspections on our services. We have embraced the findings of these inspections and will work in partnership with our regulators to put actions in place to deliver the required service improvements.

Further to the key messages that we published in Vision 2025: Our Corporate Improvement Plan 2018-2023, outlined below is a summary of the feedback that we received from regulators during 2017-18.

WALES AUDIT OFFICE

The Wales Audit Office (WAO) has a duty to report to the public on the arrangements councils in Wales put in place to secure continuous improvement. The Local Government (Wales) Measure 2009 (the Measure) requires the Auditor General to undertake a forward-looking annual improvement assessment, and to publish an annual improvement report, for each improvement authority in Wales.

Their Annual Improvement Report 2017-18 states:

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“The Council is not meeting its statutory requirements in relation to continuous improvement”.

In his annual audit letter issued in January 2018 the Auditor General stated that in his view the Council did not have sufficient appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources, and the current and future financial position represents a significant challenge. He issued a statutory recommendation covering this area – outlined below.

As a consequence, based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Council is not complying with the requirements of the Local Government Measure (2009).

Statutory Recommendation: In setting a balanced budget, the Council must ensure that all savings plans are sufficiently well developed for inclusion in the annual budget. The Council must also act immediately to update its Medium Term Financial Strategy to enable the Council to live within its means going forward, and design and implement actions to address the weaknesses identified and reports by me in respect of its corporate and financial arrangements.

The Council accepted the Statutory Recommendation at a meeting on 22nd February 2018 and agreed an Action Plan for improving Strategic and Financial Planning. This action plan forms part of the council’s wider Corporate Leadership and Governance Plan that is monitored monthly at the Improvement and Assurance Board.

The WAO has carried out a number of audit, regulatory and inspection work during 2017-18. The table below outlines the reviews where proposals for improvement or recommendations were issued:

Brief description	Key conclusions	Proposals for improvement
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<p>Service User Perspective Review In Powys County Council, we reviewed the Housing service.</p>	<p>The Council is making progress towards achieving the Welsh Housing Quality Standard for many components and most Council tenants are satisfied with the quality of the service and their homes, but it needs to accelerate its approach to ensuring tenants homes are warm.</p>	<p>Three proposals for improvement were issued by WAO.</p>
<p>'Scrutiny: Fit for the Future?' Review Review of how well placed Councils' overview and scrutiny functions are to respond to current and future challenges.</p>	<p>The Council has been slow to develop its scrutiny arrangements and there are fundamental areas it needs to address if scrutiny is to operate effectively and have impact in the face of future challenges.</p>	<p>Six proposals for improvement were issued by WAO.</p>
<p>Annual audit letter 2016-17 Letter summarising the key messages arising from the Auditor General's statutory responsibilities under the Public Audit (Wales) Act 2004 and his reporting responsibilities under the Code of Audit Practice.</p>	<p>The Council complied with its responsibilities relating to financial reporting but did not have sufficient appropriate arrangements in place to secure economy, efficient and effectiveness in its use of resources. I issued a certificate confirming that the audit of the accounts has been completed on 22 November 2017. My work to date on certification of grant claims and returns has not identified significant issues that would impact on the 2017-18 accounts or key financial systems. The Council did not have sufficient appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources, and the current and future financial position represents a significant challenge.</p>	<p>WAO issued a statutory recommendation.</p>

The WAO also undertook a number of national reviews, which included proposals for improvement, these include:

- Savings Planning in Councils in Wales
- Public Procurement in Wales
- Good governance when determining significant service changes – National Summary
- How Local Government manages demand – Homelessness
- Housing Adaptations
- Speak my language: Overcoming language and communication barriers in public services

- Strategic Commissioning of Accommodation Services for Adults with Learning Disabilities

The full report can be found on the WAO website: www.audit.wales

CARE INSPECTORATE WALES

The Care Inspectorate Wales (CIW) encourages improvement of social care, early years and social services by regulating, inspecting, reviewing and providing professional advice to ministers and policy makers. During 2017-18 the council received comprehensive inspections of both its children's and adult services.

Inspection of Children Services:

CIW inspected the quality and effectiveness of children's services during July 2017 and published their findings in a report in October 2017. The inspection report highlighted a significant number of serious concerns with regard to the performance, quality and delivery of children's services compounded by instability in management, poor and confused direction and weak governance. The council fully accepted the findings in the inspection report and the subsequent warning notices issued by Welsh Government. It quickly acknowledged the need for urgent and sustained change which would demonstrate both a genuine commitment to safeguarding children in Powys and also deliver effective systems for helping them to achieve positive well-being outcomes.

In response to the First Warning Notice, the council:

- appointed an interim Director of Social Services;
- appointed an Improvement Board to oversee the actions of the Director, to provide constructive challenge and strategic oversight of the Director's actions as regards all social services functions relating to children;
- ensured that the Improvement Board has provided reports to the Leader of the Council with a copy to the Director of Social Services and Integration, Welsh Government;
- delivered an improvement plan drawn up by the interim Director of Social Services to address the issues raised in the July inspection report within the 20 days required ;
- started to implement the improvement plan

CIW carried out a follow-up monitoring visit in December 2017 where they continued to be concerned about a range of issues including timescales for the completion of assessments and care and support plans, safeguarding practice issues and performance and quality monitoring. A follow up warning notice was issued setting out further actions required by the council.

Further CIW monitoring activity undertaken in March 2018 concluded the following:

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- 1. We have increased confidence the local authority understands more fully what it needs to do to improve services and has taken tangible steps toward this. We found evidence of progress in assessment and care and support services for children. We also recognise increased corporate support for the improvement journey and appreciation of the importance of this for the safety and well-being of the most vulnerable children in Powys.*
 - 2. We note investment in additional resources has reduced caseloads and increased senior management capacity to support the performance of individual frontline staff and managers. There is now sufficient performance information in most areas to provide a clear view of the service provided.*
 - 3. We saw evidence of the implementation of the quality assurance framework with comprehensive case file reviews providing much needed information on the quality of practice. People we spoke to, at all levels, were able to articulate what needs to be done, including a concerted effort to improve recording practice by frontline staff. However until staff have more confidence in the electronic case management system there will continue to be questions around the reliability of performance data.*
 - 4. While some performance indicators have improved, progress is still required in other key areas. Now there are reduced caseloads, it is vital the workforce is committed to quality and timely support for children and families and has the means to deliver on this. At this visit, senior managers were clear about the need to address any performance issues directly with individual staff through additional support and training.*

We spoke to social workers who trained outside Wales who received very little induction into the Welsh legal context when taking up their contract. We are disappointed planned training on the Social Services and Well-being Wales Act has not yet occurred. The high turnover of staff continues. This prevents stability and security within teams and continues to impact on the children and families the authority is supporting.
 - 6. The Head of Service is clear about planned work to review the efficacy of early help services and the quality of direct work being delivered by statutory social services. There are substantial improvements required in commissioning, quality assurance, multi-agency decision making and support of looked after children placed out of the area.*

Inspection of Adult Services:

CIW carried out a comprehensive and detailed inspection of front line services and safeguarding in January 2018 and published their findings in a report in May 2018. We developed an improvement plan in readiness for the inspection. It identified the financial investment needed to strengthen reform of services and the council is committed to investing further support over the next 12 months if needed. The investment will increase the numbers of frontline care staff and provide Powys People Direct (the single point of access to services) with more resources.

Inspectors provided positive feedback about a number of areas, including urgent safeguarding work and staff morale, but they also described significant concerns about the need for prompt responses to people in need of help to keep them safe and improve their quality of life. Their report states:

Access

The high number of abandoned calls by people attempting to contact Powys People Direct (PPD) means a significant number of people do not get consistent access to timely information, advice and support. Opportunities for people to have their voices heard are being missed, as are opportunities to prevent the need for further care and support.

Assessment

Not all geographic areas of Powys have suitable arrangements in place for assessing need and determining people's eligibility for care and support or for assessing the support needs of carers. This means some people are waiting too long for assessment and support. Some of these delays are very significant. They have a negative impact on people, their carers and families and create a burden on other parts of the social and healthcare system.

Care & support

There are many good quality care and support plans in Powys; most demonstrate positive engagement with people. Some could be improved with a renewed focus on strengths as outlined in the SSWBA. Too many people were waiting an excessive amount of time for care and support to begin.

Safeguarding

Safeguarding referrals that explicitly articulated and clearly identified risks received a robust, timely response. In these cases there was evidence of intelligent working and well written comprehensive record keeping. However, not all safeguarding referrals received a timely, proportionate and where appropriate well-coordinated multi-agency response. There was a backlog of safeguarding work at screening and enquiry stages and an insufficient focus on multi-agency safeguarding discussions and meetings.

Leadership, management & governance

Senior managers and elected members held a shared vision for improving safeguarding and for promoting services that supported people to lead independent lifestyles. Neither performance management arrangements nor quality assurance mechanisms were sufficiently well embedded to provide a thorough understanding of the difference that help, care and support and/or protection was making for people. Senior leaders need to improve their knowledge about performance to enable them to discharge their responsibilities more effectively. High level plans, including joint plans, need to be translated into tangible action plans for the delivery of good quality and well integrated services. Recruitment and retention of the adult social services workforce presents some significant challenges.

Their report set out six priority recommendations and a further ten where they expect to see improvement in the next 12 months. The Assurance Board, which is independently chaired and includes external advisors to secure improvement across social services, monitors progress towards the recommendations on a monthly basis and will continue to challenge poor performance. CIW will carry out a monitoring visit in July 2018.

Estyn are the main inspectorate of educational outcomes, provision and leadership at a regional, local authority and school and pre-school setting level. All inspections are carried out by a team of Her Majesty's Inspectors against a Common Inspection Framework. Estyn visit on a termly basis for one day to assess progress against previous inspections and to challenge current performance.

Improvement Conference 2018:

Powys was selected to be one of three councils involved in piloting the new improvement conference inspection activity. The schools service has carried out a lot of work to ensure that it responds to the scrutiny which takes place in these meetings as well as the recommendations made by HMI. A Self-Assessment Report was developed in preparation for the second Improvement conference held in April 2018. The conference focussed on:

- The council's plans for addressing the underperformance of secondary aged pupils, including the response to the recommendations from the initial improvement conference
- The effectiveness of central finances support in overseeing schools budgets

The Estyn outcome letter, which was published following the improvement conference in April 2018 states:

Inspectors sought assurance that the authority:

- *has taken appropriate action since the initial improvement conference*
- *is making suitable progress in securing better outcomes for learners*
- *has coherent plans to continue to address the issues raised at the initial improvement conference, and that these plans may need to be revised to take into account changing circumstances*
- *has sufficient resources to implement its plans*

- *has rigorous processes in place to monitor the implementation of its plans and evaluate the impact*

The authority's plans for addressing the underperformance of secondary aged pupils

Estyn remains assured that the local authority understands the reasons behind the relative weak performance of its secondary schools in recent years. Two-thirds of secondary schools in Powys have been identified locally as requiring significant support and are amber or red category. Although progress has been slow and the local authority acknowledged that its monitoring of schools had not been rigorous enough, the authority is strengthening its work to quicken the pace of improvement in schools. This includes new staff to support school improvement work, a more robust approach to challenging, supporting and monitoring schools causing concern and tighter performance management arrangements.

Four secondary schools have appointed a new head teacher since the initial conference, and the authority has ensured that there is support available to these new head teachers, though it is not possible to evaluate this as part of the conference process. Only two secondary schools have middle leaders participating in the professional learning programme for middle leaders available through ERW, and I am concerned at this low take-up. I recommend that the authority works with ERW to ensure that middle leaders in other schools are receiving appropriate professional learning to meet their needs and to strengthen the quality of leadership and management in schools where this is an area for improvement.

The effectiveness of central finance support in overseeing school budgets

The local authority knows that its current budget position is unacceptable and has a good understanding of the reasons that have caused this. The authority has detailed financial data on the position of every school as well as its internal service areas. School leaders and governors as well as senior offices and elected members are all aware of relevant financial information to enable them to fulfil their responsibilities. Over the last 12 months, the authority has issued a warning notice to six secondary schools and two primary schools, requiring these schools to take action to address their deficit budgets. The local authority has recently ensured that Brecon High School, which is in a very poor deficit position, agreed a plan to address their budget. I note that, as a result, the local authority has not used its powers to suspend the governing body's right to a delegated budget.

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No further improvements were requested, but there is now a clear mandate to continue on the improvement journey that the service has commenced and to show clear evidence of impact. A new cycle of local government education services inspections will commence in September 2018.

07. Scrutiny and Audit Reviews

Examples of Scrutiny and Audit Reviews undertaken in 2017/18

The following are examples of areas which were scrutinised / Pre-scrutinised during 2017/18:

Scrutiny Committee A:

- **Commissioning of the Highways, Transport and Recycling Service (Pre-scrutiny)** – a full business case for future options for delivery of the HTR Service was considered in association with representatives of Scrutiny Committee B and Audit Committee. However, following a change in political leadership, it was agreed that a modified in-house option would be pursued and Scrutiny will now take place on a regular basis as proposals develop.
- **Adult Social Care Scrutiny Group** – a number of briefing sessions have been held to ensure that new Members are fully informed. Pre decision scrutiny has been undertaken on Residential Care Pooled Budgets (Joint with Audit Committee representatives), Fee Setting in Residential Care and Charging for Community Based Services. The Group scrutinized the draft Adult Services Improvement Plan and contributed to the pre inspection Self-Assessment. Ongoing exception monitoring of the Action Plan is underway and this will be revised once the CIW Inspection Report is received. The Group considers financial details on a quarterly basis and monitors the service Risk Register at every meeting.
- **Household Waste Recycling Centres** – Members reviewed the changes to reduce days of operation implemented in April 2017 and supported a change to increased opening hours bearing in mind the additional costs to the service and the requirement for savings under the Medium Term Financial Strategy.
- **North Powys Office Accommodation Review** – reviews of office accommodation are to be undertaken across the County and the first area considered was in the North. Members were briefed on a number of options together with costs.
- **Crime and Disorder** - the Committee continues to monitor performance reports of the Community Safety Partnership biannually.
- **General Data Protection Regulations (GDPR)** – a review was undertaken of the council's preparedness for the implementation of GDPR in May 2018. The review considered the action plan as well as its progress. A further review will consider the position once the regulations have been implemented.

Finance Scrutiny Panel

The Finance Scrutiny Panel has reviewed proposals for the 2018/19 and 19/20 budgets. However, the Panel were frustrated by the lack of information on the budget until late in January which compromised their ability to provide effective scrutiny. The Panel continues to support the development of 5 year budget plans but the lack of detail going forward poses a substantial risk to the delivery of savings. The Panel are pleased that there will be a thorough review of the Medium Term Financial Strategy but remain concerned that the 2018/19 budget has been balanced by use of one off inputs and technical accounting practices.

Audit Committee

In addition to its regulatory requirements, the Committee reviews the Corporate Risk Register, Regulatory Tracker and Treasury Management on a quarterly basis. Summary reports relating to the work of the Finance Scrutiny Panel and Internal Audit Working Group are also considered.

- **Internal Audit Working Group** – the Group reviews action plans arising from Internal Audit reports which have limited or low assurance. Consideration is also given to reports relating to internal fraud.

- **Joint Audit / Education Scrutiny Group** – the group has been asked to undertake work on the financial viability of Schools following receipt of a WAO report. A report was prepared and considered by Cabinet.

Joint Adult and Children’s Services Scrutiny Group

- **Powys People Direct** - the joint Group met to consider concerns relating to Powys People Direct following the CIW Inspection of Children’s Services. The service is to be reviewed by Children’s and Adults’ Services, and the Joint Scrutiny Group will monitor progress of that review.
- **Health and Care Strategy** – the joint Group considered ‘A Healthy Caring Powys – Discharging our Duties in Relation to the Area Plan which considers delivery of the first five year’s of the Health and Care Strategy. Comments were made to Cabinet and were submitted to the Welsh Government by 1st April 2018.

Scrutiny Committee B

- Annual Report of Director of Social Care
- Pre-Cabinet scrutiny of the new Schools Policy promoting collaborative working
- Welsh in Education Strategic Plan

Children’s Scrutiny Group

- Members undertook pre-Cabinet scrutiny of the redesign of Youth Services
- Members received the CIW Inspection report on Children’s Services. The initial Improvement Plan was considered along with further iterations of the Plan. The group have received performance monitoring reports, the Member Tracker and have undertaken specific work on the following areas:
 - Safeguarding
 - Governance
 - Looked After Children, Fostering and Out of County Placements
 - Assessment compliance and quality assurance

Education Scrutiny Group

- Ongoing education scrutiny:
 - Standards (provisional and verified)
 - Attendance and exclusions
 - Inspection outcomes
- Annual scrutiny of the regional consortia for education improvement (ERW)
- Pre-Cabinet Scrutiny of the Education Self Evaluation Report
- Pre-Cabinet Scrutiny of Home to School/College Transport Policy
- Scrutiny of proposals regarding implementation of 30 hours free child care
- Scrutiny of Transformation of Additional Learning Needs and Inclusion Service
- Scrutiny of Governor Training programme

Two representatives of the Education Scrutiny Group also attend twice yearly meetings of the Joint ERW Scrutiny Group.

Schools Scrutiny Panel

- Monitoring progress of schools who have attended School Scrutiny Panel
- School categorisation

Leisure/Culture Scrutiny Group

- Members undertook pre-Cabinet Scrutiny of proposals regarding changes to the Leisure provision (closure of the Staylitttle Outdoor Pursuits Centre)

Joint Chairs and Vice-Chairs Steering Group

The Steering Group scrutinised the following:

- Draft CIP
- Draft Annual Performance Statement 2016-17
- PSB: Vision 2040
- Draft Well-Being Plan
- Corporate Leadership, Governance Improvement Plan.

The Steering Group also reviewed:

- Work Programmes for all scrutiny committees (each meeting)
- The Scrutiny Service.
- The Scrutiny Committee Structure
- Arrangements for the Scrutiny of the PSB in Powys

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The seven goals of The Wellbeing of Future Generations (Wales) Act 2015

A prosperous Wales An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.

A resilient Wales A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).

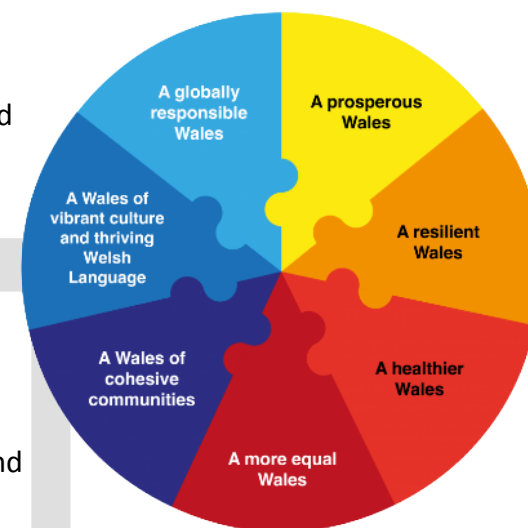
A healthier Wales A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.

A more equal Wales A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).

A Wales of cohesive communities Attractive, viable, safe and well-connected communities.

A Wales of vibrant culture and thriving Welsh language A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.

A globally responsible Wales A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.



Guidance 17

Mae'r dudalen hon wedi'i gadael yn wag yn fwiadol



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru
Auditor General for Wales

Overview and Scrutiny – Fit For the Future? – Powys County Council

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

The team who delivered the work comprised Ian Phillips, Justine Morgan and Colin Davies under the direction of Jane Holownia.

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Summary report

Summary

- 1 This review explored with each of the 22 councils in Wales how ‘fit for the future’ their scrutiny functions are. We considered how councils are responding to current challenges, including the Wellbeing of Future Generations Act 2015 (WFG Act) in relation to their scrutiny activity, as well as how councils are beginning to undertake scrutiny of Public Service Boards (PSBs). We also examined how well placed councils are to respond to future challenges such as continued pressure on public finances and the possible move towards more regional working between local authorities.
- 2 As part of this review we also reviewed the progress that councils have made in addressing the recommendations of our earlier National Improvement Study **Good Scrutiny? Good Question?** (May 2014) (see [Appendix 2](#)). We also followed up on the proposals for improvement relevant to scrutiny that we issued in local reports including those issued to councils as part of our 2016-17 thematic reviews of Savings Planning and Governance Arrangements for Determining Significant Service Changes.
- 3 Our review aimed to:
 - identify approaches to embedding the sustainable development principle into scrutiny processes and practices to inform practice sharing and future work of the Auditor General in relation to the WFG Act;
 - provide assurance that scrutiny functions are well placed to respond to current and future challenges and expectations;
 - help to embed effective scrutiny by elected members from the start of the new electoral cycle; and
 - provide insight into how well councils have responded to the findings of our previous Scrutiny Improvement Study.
- 4 To inform our findings we based our review methodology around the Outcomes and Characteristics for Effective Local Government Overview and Scrutiny that were developed and agreed by scrutiny stakeholders in Wales following our previous National Improvement Study **Good Scrutiny? Good Question?**.
- 5 We carried out our fieldwork between February 2018 and April 2018. We undertook document reviews, interviewed a number of key officers and ran focus groups with key councillors to understand their views on Powys County Council’s (the Council) current scrutiny arrangements and in particular how the Council is approaching and intends to respond to the challenges identified above.
- 6 We observed a sample of scrutiny meetings and reviewed relevant meeting documentation provided to members to support their scrutiny role, such as reports and presentations.

- 7 In this review we concluded that the Council has been slow to develop its scrutiny arrangements and there are fundamental areas it needs to address if scrutiny is to operate effectively and have impact in the face of future challenges.

Proposals for improvement

- 8 **Exhibit 1** contains our proposals for ways in which the Council could improve the efficiency and effectiveness of its overview and scrutiny function to make it better placed to meet current and future challenges.

Exhibit 1: proposals for improvement

Proposals for improvement	
P1	Be specific in the reports presented to overview and scrutiny why the committee is receiving the information and how this relates to the role of the scrutiny committee.
P2	Provide more training specifically for Chairs and Vice Chairs of overview and scrutiny committees to enable them to be more effective in their role.
P3	Make arrangements for further training for scrutiny committee members on the Well-Being of Future Generations (WFG) Act in order to help embed WFG considerations into the Council's decision-making processes.
P4	Strengthen arrangements for public and other stakeholder engagement in overview and scrutiny.
P5	Clarify the arrangements for feeding back overview and scrutiny committees' views to Cabinet and for Cabinet to respond to recommendations made.
P6	Put in place arrangements for assessing the effectiveness and impact of overview and scrutiny.

Detailed report

The Council has been slow to develop its scrutiny arrangements and there are fundamental areas it needs to address if scrutiny is to operate effectively and have impact in the face of future challenges

The Council's governance framework does not help to create a supportive environment for scrutiny to operate effectively and to have impact

- 9 The role of the overview and scrutiny function could be more clearly defined and needs to be better understood by members. The Council's constitution sets out that the Council has appointed three scrutiny committees. The Council's Audit Committee is included as a scrutiny committee, and while part of an Audit Committee's role is to scrutinise certain matters, it is more usual for an Audit Committee to be classed as separate from overview and scrutiny committees within Council constitutions. In contrast, the current draft Corporate Improvement Plan 2018-23 states that the Audit Committee is 'independent of both the cabinet and scrutiny functions'. Furthermore, although the Council has specified that there are three overview and scrutiny committees, section 7.4 of the constitution sets out a fourth committee, the Joint Chairs and Vice Chairs Steering Group.
- 10 Scrutiny members outside of the Joint Chairs and Vice Chairs Steering Group were unsighted of the role of that Steering Group and did not know that it scrutinised certain corporate items. For example, the Steering Group considered the draft Corporate Improvement Plan in February 2018. However, the linkages between the Steering Group and the other scrutiny committees and scrutiny working groups need to be clarified and disseminated amongst the wider scrutiny membership.
- 11 There is a general consensus amongst scrutiny members and scrutiny officers that the naming of two of the scrutiny committees as 'Scrutiny Committee A' and 'Scrutiny Committee B' is unhelpful as it is unclear what their respective remits are, albeit the constitution does set out their respective terms of reference. At the time we carried out our fieldwork, the Council was in the process of reviewing its scrutiny structure and intended to address this issue. Subsequently, the Democratic Services Committee presented a paper to the 17 May 2018 Council meeting proposing a new structure of four committees linked to the Council's priorities in its Vision 2025 (Audit Committee, Learning and Skills Scrutiny Committee, Health and Care Scrutiny Committee and Economy, Residents and Community Scrutiny Committee). However, a motion to amend that proposal to three committees (Audit Committee, Learning Skills and Economy Scrutiny Committee and Health Care and Housing Scrutiny Committee) with the number of

members per committee increasing from nine councillors in the original proposal to 21 in the amendment, was carried at the meeting.

- 12 In 2017 the Strategic Director – Resources carried out a review of the scrutiny service. The review stated that ‘scrutiny needs a higher profile – or at least a more positive one’, We recognise that this review is an open and honest account of the scrutiny service and clearly sets out perceived flaws in the scrutiny arrangements and areas where improvement is needed. However, in 2013 the Council carried out a self-evaluation of scrutiny for our aforementioned **Good Scrutiny? Good Question? Report**. A number of areas that were highlighted as needing improvement in 2013 had either got worse or stayed the same and were classed as hindering the improvement of scrutiny. For example, the Strategic Director’s 2017 review of the scrutiny service concluded that the arrangements for overview and scrutiny challenging poor performance and its causes were ‘hindering improvement.’
- 13 There have historically been relationship difficulties between Cabinet and Scrutiny, although members and officers told us that this relationship is showing signs of improvement recently. Scrutiny has at times been seen as overly negative and sometimes not sufficiently apolitical. Conversely, scrutiny members expressed ongoing frustration about often not getting a response from Cabinet as to whether suggestions/recommendations from scrutiny had been taken on board or not.
- 14 Scrutiny committee members have received training to help equip them for their roles. However, a questionnaire completed by senior managers as part of the Strategic Director’s 2017 review of the scrutiny service identified that more training was needed for members to improve constructive challenge and effective questioning. Some members we spoke to felt that there was not enough of a focus on scrutiny as part of their induction. There was also a strong feeling amongst members that they required training on the Well-being of Future Generations (Wales) Act 2015.
- 15 The role of scrutiny support officers is generally well-regarded, although capacity is stretched and there is limited resource available to carry out research for members. The Strategic Director’s 2017 review of the scrutiny service recognised this and recommended that both scrutiny support officers should be made full time and an additional one Full Time Equivalent post should be created. The 2018-19 budget subsequently allocated £12k for ‘Scrutiny Team Review’ but there is no narrative in the budget reports as to what the plans for this money are.
- 16 Progress has been slow in setting up a committee to scrutinise the Powys Public Services Board (PSB). There are other councils in Wales where scrutiny of the PSB is relatively well-established. The Council anticipates that the committee will be set up and ready to start scrutinising the PSB in the near future.

The Council recognises that its scrutiny function needs to improve. There is scope for improvement in how scrutiny is planned, how scrutiny meetings are conducted and how forward work programmes are developed

- 17 We found several examples where scrutiny has raised concerns regarding the timeliness and/or quality of information that it receives. For example, the minutes of the Leisure/Culture Scrutiny Group on 18 September 2017 record the following:
- The Group make the following observations to Cabinet/Management Team in respect of the draft Cabinet Report shared with the scrutiny group (attached at Appendix A): Despite timescales being agreed before the summer the report was provided late to scrutiny. It became apparent during scrutiny that the report provided still required work before it would be submitted to Cabinet. It is requested that Cabinet/Management team stress the need for reports requiring pre-cabinet scrutiny are provided with sufficient detail and in sufficient time for consideration.
- 18 A lot of the actual scrutiny work is carried out by working groups that sit under either scrutiny committee 'A' or 'B'. As part of our fieldwork, we observed some of these meetings and there were strengths that were apparent. For example, there was a good level of member engagement in the meetings and the atmosphere was constructive and apolitical.
- 19 One potential area for improvement is that information that scrutiny receives, for example officer reports, tends to lack a covering report setting out why the item is coming to scrutiny and what is expected of members in respect of that item. Providing such clarity would help scrutiny members to fully understand their roles.
- 20 As a lot of the actual scrutiny work is carried out by the working groups in meetings which are not publicly accessible, there was a need for the Council to reflect on whether such an approach is sufficiently transparent. The Council has considered this and the Democratic Services Committee paper to Council on 17 May sets out that 'as a general principle all matters would be considered at a full meeting of a Scrutiny Committee. However it was accepted that there may be a need to have an occasional task and finish working group, for specific purposes, but they would operate on a time limited basis.' The Strategic Director's 2017 review of the scrutiny service recognised that scrutiny needs to improve its engagement with the public, but the Working Group arrangements are not conducive to improving such engagement. Furthermore, the Council has not had any input from other external witnesses/third parties recently and so there is scope to improve scrutiny's wider engagement. The Democratic Services Committee paper to Council on 17 May sets out a commitment that scrutiny committee should generally be held in public unless confidential matters were being discussed, and the Council should investigate the possibility of webcasting scrutiny committee meetings in future. Members told us that when planning the scrutiny of agenda items, they do not consider 'how' an item will be best scrutinised, for example by arranging site visits

or calling external witnesses. 'How' an item is scrutinised should be given the same consideration at the forward work programming stage as 'what' items are to be scrutinised.

- 21 Scrutiny forward work planning is part of the role of the Chairs and Vice Chairs Joint Steering Group. Work programmes are also considered by scrutiny committees 'A' and 'B' albeit those committees only tend to meet on a quarterly basis. The Strategic Director's 2017 review of the scrutiny service report states that 'more work is required to co-ordinate the scrutiny and Cabinet Work Programmes to assist the pre-scrutiny of major decisions to be undertaken by the Cabinet'. However, officers were clear that the Council is currently doing a lot more pre-decision scrutiny; about eighteen months ago pre-decision scrutiny was not really taking place. Nevertheless, we consider that there is scope for a more focused, slimmed-down scrutiny forward work programme that concentrates on the significant issues that the Council is facing.
- 22 Both the Cabinet and scrutiny forward work programmes are published on the Council website. The scrutiny forward work programme could be clearer *why* items are to be scrutinised and (in the 20 February 2018 version of the scrutiny forward work programme) a number of the 'description' fields are empty. Similarly, the Cabinet forward work programme is lacking in detail and not very informative. Also, the links between the respective work programmes could be stronger.
- 23 We are aware of two other recent examples where the planning of items has not been as effective as it could have been. The Cabinet minutes of 30 January 2018 refer to the Corporate Leadership and Governance Plan and the Chair of the scrutiny group comments that 'observations had to be submitted by email due to a Council budget seminar being called when the group had been due to meet. He regretted that there had not been enough time to scrutinise such an important document...' Also, the minutes of the Finance Scrutiny Panel of 8 February 2018 record 'The Panel are concerned by the lateness of the budget proposals being made available. It gives no time for adequate scrutiny to influence the final budget. With the increased pressures on the budget the Panel believes that it should be given more opportunity to comment on the emerging budget at a much earlier stage. The Panel has therefore not been able to adequately scrutinise the budget and its implications and Members should note this.'
- 24 Although we witnessed a good level of member engagement in our meeting observations, at times the questioning was too parochial. We held focus groups with members and a theme of more robust chairing of scrutiny meetings emerged, for example for chairs to ensure that all information that the committee required is provided and setting action plans arising from meetings. From the comments we received it appears that chairing skills training would be helpful.
- 25 There has also been a long-standing issue of variable member attendance at meetings. While mitigating against that is essentially a matter for individual councillors and group leaders, the Council has been proactive at looking at technological developments that may, in future, facilitate remote attendance. It has

provided members with Skype training and officers have discussed this issue with Welsh Government, as they are conscious that remote attendance may be particularly beneficial given the size of Powys and its rurality.

The Council does not evaluate the impact of overview and scrutiny and cannot demonstrate its overall effectiveness

- 26 Although the Council carried out reviews of the scrutiny function in 2013 and 2017, it does not systematically evaluate the impact of scrutiny. We were told that impact could be demonstrated in cases where Cabinet have accepted recommendations on items of pre-decision scrutiny. However, as set out above, scrutiny members expressed frustration at not receiving information back from Cabinet setting out their reasons for accepting or rejecting scrutiny committee recommendations. Overall, the Council cannot demonstrate that scrutiny is sufficiently impactful.
- 27 A recent example of scrutiny resources being expended yet having no apparent effect is the scrutiny of the Staylitttle Outdoor Centre agenda item. The Leisure/Culture Scrutiny Working Group considered the matter on 18 September 2017 and made two recommendations to Cabinet. There is then a disconnect between those recommendations and the covering report sent to Cabinet on 10 October 2017, as the covering report does not refer to those recommendations. The covering report actually contains a section that asks 'What changes have been made since the date of Scrutiny and explain why Scrutiny recommendations have been accepted or rejected'. However, the explanation that is given does not relate to the points raised by the Leisure/Culture working group. Therefore, there is no record of how the points raised by scrutiny were considered and the minutes of the Cabinet meeting are similarly silent.
- 28 Whilst we recognise that, in general, the impact of scrutiny is not always tangible, given the amount of resources that the Council expends on scrutiny i.e. member and officer time devoted to formal scrutiny meetings and scrutiny working groups, it is important that the Council considers how best to maximise the impact of such resource intensive work. The Council would benefit from exploring different and more creative ways of doing scrutiny to maximise the resources available and outcomes achieved and where it can add most value, particularly in view of the significant shortfall it is facing in the 2019-20 budget.

Appendix 1

Outcomes and characteristics for effective local government overview and scrutiny

Exhibit 2: outcomes and characteristics for effective local government overview and scrutiny

Outcomes	Characteristics
<p>What does good scrutiny seek to achieve?</p>	<p>What would it look like? How could we recognise it?</p>
<p>1. Democratic accountability drives improvement in public services. 'Better Services'</p>	<p>Environment</p> <ul style="list-style-type: none"> i) Scrutiny has a clearly defined and valued role in the council's improvement arrangements. ii) Scrutiny has the dedicated officer support it needs from officers who are able to undertake independent research effectively, and provide Scrutiny members with high-quality analysis, advice and training. <p>Practice</p> <ul style="list-style-type: none"> iii) Overview and Scrutiny inquiries are non-political, methodologically sound and incorporate a wide range of evidence and perspectives. <p>Impact</p> <ul style="list-style-type: none"> iv) Overview and scrutiny regularly engages in evidence based challenge of decision makers and service providers. v) Scrutiny provides viable and well evidenced solutions to recognised problems.

Outcomes	Characteristics
<p>What does good scrutiny seek to achieve?</p>	<p>What would it look like? How could we recognise it?</p>
<p>2. Democratic decision making is accountable, inclusive and robust. 'Better decisions'</p>	<p>Environment</p> <ul style="list-style-type: none"> i) Scrutiny councillors have the training and development opportunities they need to undertake their role effectively. ii) The process receives effective support from the Council's Corporate Management Team which ensures that information provided to scrutiny is of high quality and is provided in a timely and consistent manner. <p>Practice</p> <ul style="list-style-type: none"> iii) Scrutiny is Member led and has 'ownership' of its work programme taking into account the views of the public, partners and regulators whilst balancing between prioritising community concerns against issues of strategic risk and importance. iv) Stakeholders have the ability to contribute to the development and delivery of scrutiny forward work programmes. v) Overview and scrutiny meetings and activities are well-planned, chaired effectively and make best use of the resources available to it. <p>Impact</p> <ul style="list-style-type: none"> vi) Non-executive Members provide an evidence based check and balance to Executive decision making. vii) Decision makers give public account for themselves at scrutiny committees for their portfolio responsibilities.
<p>3. The public is engaged in democratic debate about the current and future delivery of public services.</p>	<p>Environment</p> <ul style="list-style-type: none"> i) Scrutiny is recognised by the Executive and Corporate Management team as an important council mechanism for community engagement. <p>Practice</p> <ul style="list-style-type: none"> ii) Scrutiny is characterised by effective communication to raise awareness of, and encourage participation in democratic accountability. iii) Scrutiny operates non-politically and deals effectively with sensitive political issues, tension and conflict. iv) Scrutiny builds trust and good relationships with a wide variety of internal and external stakeholders. <p>Impact</p> <ul style="list-style-type: none"> v) Overview and scrutiny enables the 'voice' of local people and communities across the area to be heard as part of decision and policy-making processes.

Appendix 2

Recommendations from the report of the Auditor General's national improvement study 'Good Scrutiny? Good Question?' (May 2014)

Exhibit 3: recommendations from **Good Scrutiny? Good Question?** Scrutiny Improvement Study

Recommendation	Responsible Partners
R1 Clarify the role of executive members and senior officers in contributing to scrutiny.	Councils, Welsh Government, Welsh Local Government Association
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.	Councils, Welsh Government, Welsh Local Government Association
R3 Further develop scrutiny forward work programming to : <ul style="list-style-type: none"> • provide a clear rationale for topic selection; • be more outcome focussed • ensure that the method of scrutiny is best suited to the topic area and the outcome desired; and • align scrutiny programmes with the council's performance management, self-evaluation and improvement arrangements. 	Councils
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.	Councils, Staff of the Wales Audit Office, CSSIW, Estyn
R5 Ensure that external review bodies take account of scrutiny work programmes and the outputs of scrutiny activity, where appropriate, in planning and delivering their work.	Staff of the Wales Audit Office, CSSIW, Estyn

Recommendation	Responsible Partners
R6 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.	Councils, Welsh Government, Welsh Local Government Association
R7 Undertake regular self-evaluation of scrutiny utilising the 'outcomes and characteristics of effective local government overview and scrutiny' developed by the Wales Overview & Scrutiny Officers' Network.	Council
R8 Implement scrutiny improvement action plans developed from the Wales Audit Office improvement study.	Councils
R9 Adopt Participation Cymru's 10 Principles for Public Engagement in improving the way scrutiny engages with the public and stakeholders.	Councils

Wales Audit Office
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone.: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn testun: 029 2032 0660

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru

Management response

Report title: 833A2018-19 Overview and Scrutiny – Fit For the Future?

Issued: September 2018

Ref	Proposal for Improvement	Management response	Completion date	Responsible officer
P1	Be specific in the reports presented to overview and scrutiny why the committee is receiving the information and how this relates to the role of the scrutiny committee	We are proposing to establish (subject to approval by the Democratic Services Committee and the Council) a Co-Ordinating Committee to determine what items are to be scrutinised and in future that committee will specify the focus and need for the scrutiny review.	January 2019	Solicitor to the Council
P2	Provide more training specifically for Chairs and Vice Chairs of overview and scrutiny committees to enable them to be more effective in their role	(i) Develop a development programme for all Members who are involved in scrutiny including committee members, Cabinet and those Members who are only involved on an ad-hoc basis. Bespoke training for Chairs of Committees and those leading working groups will be part of this development programme.	December 2018	Scrutiny Manager
		(ii) Implement the development programme – see (i) above	Jan to June 2019 and ongoing	Scrutiny Manager

Ref	Proposal for Improvement	Management response	Completion date	Responsible officer
P3	Make arrangements for further training for scrutiny committee members on the Well-Being of Future Generations (WFG) Act in order to help embed WFG considerations into the Council's decision-making processes	<p>Use the Future Generations Scrutiny Framework being developed by the Future Generations' Commissioner's Office to determine the training to be delivered to scrutiny members.</p> <p>To incorporate the training into the development programme in P2 above</p>	Awaiting information from the Commissioner's Office	Scrutiny Manager
P4	Strengthen arrangements for public and other stakeholder engagement in overview and scrutiny	<p>This is to be undertaken in 3 steps:</p> <p>(i) Seek opportunities for the public and stakeholders to be able to make representations as part of evidence collection during scrutiny reviews</p> <p>(ii) Provide the ability for the public or others to raise topics for consideration in the scrutiny forward work programme – form to be provided on the council's website.</p> <p>(iii) Consider allowing public speaking at scrutiny committee meetings</p>	<p>February, 2019</p> <p>April 2019</p> <p>June 2019</p>	Scrutiny Manager

Ref	Proposal for Improvement	Management response	Completion date	Responsible officer
P5	Clarify the arrangements for feeding back overview and scrutiny committees' views to Cabinet and for Cabinet to respond to recommendations made	Protocol on Scrutiny and Cabinet Roles and responsibilities being developed for consideration and approval by the Scrutiny Development Board and Democratic Services Committee.	January 2019	Scrutiny Manager
		Develop a Process map for scrutiny observations being presented to Cabinet and Cabinet responses to scrutiny including timescales	January 2019	
		Implementation of tracking process for acceptance or rejection of scrutiny recommendations by Cabinet	December 2018	
P6	Put in place arrangements for assessing the effectiveness and impact of overview and scrutiny	Implement the recommendation in P5 – tracking process	December 2018	Scrutiny Manager
		Once revised scrutiny arrangements are in place in the Council to undertake a self assessment of scrutiny following 12 months of operation of the revised system, and repeat every 2 years.	March 2020	

Mae'r dudalen hon wedi'i gadael yn wag yn fwiadol

CYNGOR SIR POWYS COUNTY COUNCIL**AUDIT COMMITTEE
16th November 2018****REPORT AUTHOR: Jane Thomas, Head of Financial Services****SUBJECT: Closure of Accounts**

REPORT FOR: Information

1. Introduction

- 1.1 Committee will be aware that the Statement of Accounts for 2017/18 were issued an unqualified audit opinion by the Auditor General and approved by the Audit Committee on the 12th September. The accounts were then published on the public website before the statutory deadline of 30th September 2018.
- 1.2 The closure of accounts process and completion of the Statement of Accounts for 2017/18 was delivered under a project management approach. The approach has been adopted for 4 years and has led to continued improvements both to the quality of the draft financial statements and the information available to support them. This was recognised within the ISA260 report presented by Wales Audit Office to Committee on 12th September 2018.
- 1.3 The project management approach will continue for the 2018-19 closure of accounts and look to build on the improvements made in previous years.

2 Project Update

- 2.1 The project team remains in place and the project plan for 2018-19 is being developed. A review of last year's project delivery will highlight the lessons learnt, the benefits gained, and the areas for further improvement this year. The actions identified will be incorporated into the plan.
- 2.2 The Wales Audit Office Statement of Accounts Memorandum, which will be received shortly, will also provide details of any issues and make recommendations for the changes arising from this year's audit, actions identified from this report will also be incorporated into our plan.
- 2.3 In 2018-19 the Statutory deadline for both the draft and final set of accounts will be brought forward by two weeks. The draft will need to be signed by the S151 Officer by 15th June 2019 and final version will need to be approved and published by 15th September 2019. In 2017-18 the Draft was presented to WAO on 18th June and the published version approved by Audit Committee on 12th September 2018. For 2018-19 the aim is to produce the draft by the end of May and for WAO to

complete a large part of their audit by 31st July. In effect providing a dry run for the shortened timescales in 2020-21.

Statutory dates for the Statement of Accounts

	2017-18	2018-19	2019-20	2020-21
Draft Version	30 June 18	15 June 19	15 June 20	31 May 21
Published Version	30 Sept 18	15 Sept 19	15 Sept 20	31 July 21

2.4 In April 2019 the new finance system will become operational, the effects of the transition from the old system will need to be considered in this year's plan, in terms of resources, processes and reporting.

2.5 The Head of Financial Services will report progress and identify issues with the Deputy Chief Executive (Section 151 Officer), and regular updates are provided under a standard item at the Resources Management Team. Regular update reports will be submitted to Audit Committee.

2.6 Discussions will take place with officers from the Wales Audit Office during the next few months to prepare for next year's audit, we will explore what work can be undertaken throughout the year to assist in the audit and how future workshops can be utilised to further improve the process. A clear audit plan will be requested that outlines the audit approach, and audit deliverables and timescales.

Recommendation:	Reason for Recommendation:
That Audit Committee notes the contents of the report.	To continue the improvement in accounts closure and that the continuing use of project management principles is endorsed for the closure and audit of the 2018/19 accounts.

Contact Officer Name:	Tel:	Email:
Jane Thomas	01597 826341	jane.thomas@powys.gov.uk

CYNGOR SIR POWYS COUNTY COUNCIL

CABINET EXECUTIVE

6th November 2018**REPORT AUTHOR:** County Councillor Aled Davies

Portfolio Holder for Finance

SUBJECT: Financial Overview and Forecast as at 30th September 2018

REPORT FOR: Decision / Discussion / Information

1. Summary

- 1.1 This report provides an update on the projected revenue spend against budget for the 2018/19 financial year and reflects the position as at 30th September 2018, it provides an early indication of the 2018/19 full year financial forecast.
- 1.2 The revenue expenditure outturn against budget is now projected to be £3.8m (August £5.8m) over budget, this is based on savings achieved to date but also reflects assurance that further savings will be achieved in year.
- 1.3 A number of actions were identified in the previous report which could assist in reducing the level of deficit projected by year end. The impact of these actions has now been reflected in the revised position leading to the improved outturn now projected.
- 1.6 Savings of £5.125m (£4.997m August) have been delivered to date, 42% (41% August) of the total £12.296m required, with £7.171m yet to be achieved.
- 1.7 The report has been prepared on an exceptions basis, using actual variance against budget to define the RAG (Red, Amber, Green and Blue) status of the services' financial position. The report only highlights those service areas where projections are forecast to exceed the budget provided, or services that have a significant degree of financial risk on the Council, and where corrective action must be taken to ensure a balanced year end budget, and mitigate any risk for future years.

2 Revenue Position

- 2.1 The revenue forecast is summarised in the table below, underlying expenditure is projected to exceed the budget by £8.676m (August £7.917m), excluding Housing Revenue Account (HRA) and Delegated Schools. It is important to note that this position is reported based on the current delivery of efficiency savings and does not reflect those that remain to be achieved, we maintain this approach to ensure a prudent position. This position is likely to improve as the year progresses.
- 2.2 A detailed review of all budget headings has been carried out and this has identified areas of underspending or higher than expected levels of income, these budgets have been frozen or realigned for the remainder of the financial year and now contribute to the improved forecast. In addition, some vacant posts will remain unfilled for the remainder of the year.

- 2.3 To counter the prudent approach to reporting savings and better predict the year-end position, this year's reporting also provides a forecast based on the expected delivery of savings. This is only included following assurance from Directors that savings will be achieved or that alternative means of delivery are identified and realistic.
- 2.4 Costs relating to transformation can be capitalised under the Welsh Government capitalisation direction. £2.6m of costs projected to be incurred will be funded from Capital receipts, this will release the revenue budget originally set aside to fund these costs to reduce the projected deficit.
- 2.5 On the basis of expected savings delivery and capitalisation of transformation costs the projected position will be an overspend of £3.8m (August £5.804m) against the approved budget.
- 2.6 Both projections are included in the table below.

Summary Forecast by Directorate	Total Working Budget	Forecast Spend	Variance (Over) / Under Spend		Variance including expected savings delivery	
	£'000	£'000	£'000	%	£'000	%
Social Services	84,347	89,847	(5,500)	(7)	(5,039)	(6)
Environment	30,703	32,158	(1,455)	(5)	(67)	0
Schools	36,063	36,740	(677)	(2)	(56)	0
Resources	18,191	18,096	95	1	95	1
Central Activities	2,413	3,552	(1,139)	(47)	1,201	50
Total	171,717	180,393	(8,676)	(5)	(3,866)	(2)
Housing Revenue Account (HRA)	0	(13)	13		2	
Schools Delegated	75,287	75,555	(268)	(0)	(19)	(0)
Total including HRA and Delegated Schools	247,004	255,935	(8,931)	(4)	(3,883)	(2)

- 2.7 The table in Appendix A details the forecast spend by Service, against approved working budget and shows the projected position on both savings delivery, capitalisation and service performance.

3 Reserves

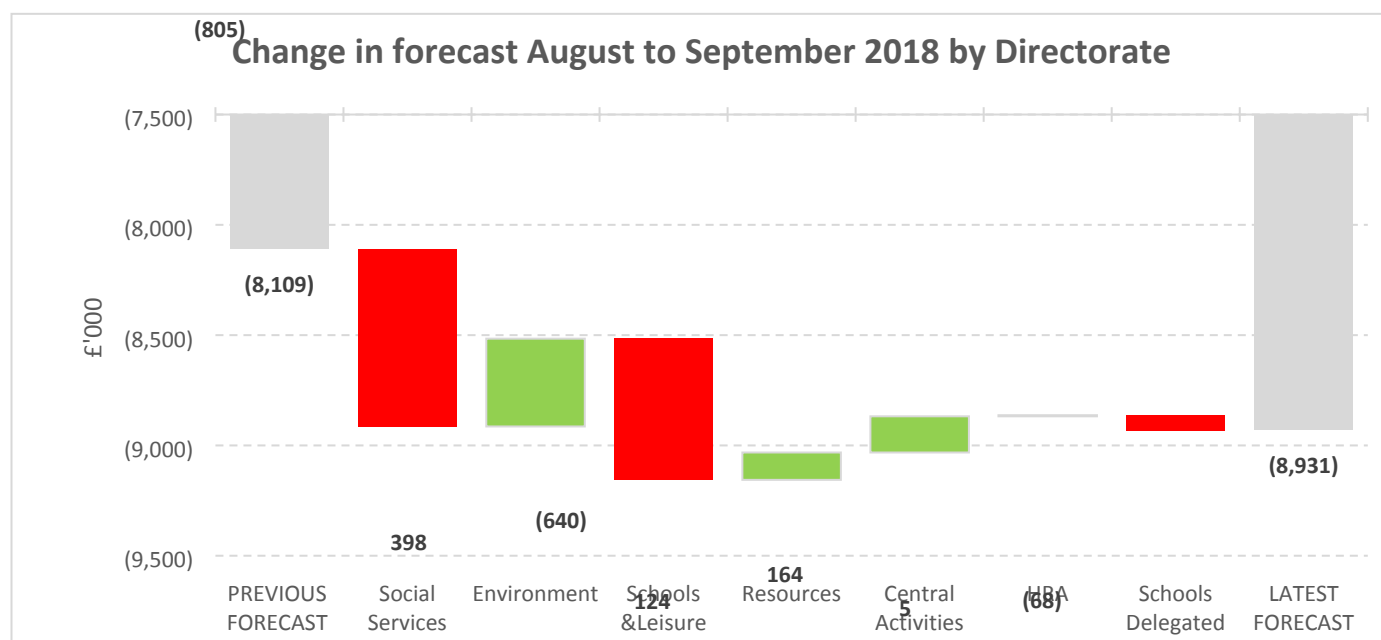
- 3.1 The total revenue reserves held at 1 April 2018, together with the forecast addition/(use) of reserves during the year and the projected year end balances, as at 30th September, are set out in the table in Appendix C. The revenue reserves held at the beginning of the year totalled £40.3m, with £9.7m held in the General Reserve and Specific and Ring fenced reserves of £27.4m. The planned use of reserves to support the overall revenue budget during the year (excluding Schools and HRA) is £10.3m.
- 3.2 Based on the projections included in this report the overspend position would be financed from the General Fund Reserve. With the assurance around the delivery of savings and the capitalisation of transformation costs the impact on the General fund would be £3.8m,

reducing the balance to £5.835m this would then represent 3.4% of the total net revenue budget (excluding Schools and HRA) or 5.5% when including the budget management reserve. This revised position would be in line with the policy set.

3.3 Specific reserves will also be reviewed to identify alternative reserve funding to limit the impact on the General Fund Reserve.

4. Revenue Forecast

4.1 The graph below shows the change in forecast, from that reported at the end of July to the projected forecast position as at 30th September by Directorate, including HRA and Delegated Schools:



4.2 RAG status has been applied to service variance based on the categories below, and those with a variance calculated as “red” have been explained in more detail below.

- **Red** Overspend above 2%
- **Amber** Overspend of 1-2%
- **Green** +/- 1%
- **Blue** Underspend above 1%

Service Area	Net Budget	Forecast Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance RAGB status
	£'000	£'000	£'000	%	
Children Services	18,513	24,539	(6,026)	(32)	R

Costs continue to escalate within Children services with a projected overspend of £6.026m for the year, an increase of £483k since that reported in August, due to an increased cost of placements, agency staff and legal fees.

The appropriate workforce establishment has been agreed and although funding for this is accommodated within the service budget, many posts are being covered by agency staff at a higher cost per post. The projected position includes the continuation of agency staff through to the end of this financial year, with costs exceeding baseline budget by £751k. There are currently 14.5 Fte's over the agreed establishment.

The predicted spend on Looked after Children (LAC) continues to be higher than the budget allocated due to the increased number of placements currently 235, this represents a pressure of £3.455m and additional £377k during the month. Fluctuations in demand and levels of complexity make it a very high risk area which is difficult to forecast.

The forecast position also reflects £2.208m of undelivered efficiencies that remain in the base budget. Cabinet are reviewing this position as part of their budget setting for 2019/20.

There are a number of risks that may further impact the financial position, these include: -

- Additional costs backdated in respect of 'Sleepins' following the outcome of a judicial review
- Holiday pay liability for relief staff at Golwg y Bannau/Camlas
- Legal costs – baseline budget has already been utilised

The overspend and financial pressures are mitigated by growth not allocated of £875k; Improvement capacity monies £775k and change in legislation in respect of "When I'm ready" allocation of £100k.

Service Area	Net Budget	Forecast Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
Highways, Transport & Recycling (HTR)	21,259	23,057	(1,798)	(8)	R

The overspend in this area has reduced by £237k from that reported in August. Unachieved savings at this point in the year total £1.3m and are the main reason for the projected position. The change in forecast is mainly in relation to additional income identified in relation to the Design Team and £110k from the review of all budgets carried out across the Council.

The service is forecasting overspends against some areas of budget: -

- Trade Waste collection and Domestic Waste are forecast to overspend by £145k and £271k respectively, due to a forecast reduction in income from Trade Waste and continuing increased fuel costs for domestic waste vehicles.
- An increase in the usage of materials within the fleet workshops and a shortfall in income due to the transfer of vehicles to HOWPS no longer maintained in-house, resulting in a forecast overspend at year end of £311k.
- These over spends are reduced by an under spend of £165k on Waste Contracts, due to increased income from sale of recyclable material and lower than budgeted spend on Landfill Tax.

The revised forecast based on the expected delivery of savings and other service factors shows that the position will be significantly improved by year end with a forecast overspend reduced to approximately £67k.

Service Area	Net Budget	Forecast Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
Schools Service	27,288	28,243	(955)	(3.5)	R

The projected overspend within Schools service has increase significantly since that reported in August with a projected overspend at the end of September of £955k. The significant variances contributing to the adverse position are as follows:

Severance Pay – current projections indicate an overspend of £772k within this area, however some of these costs can be capitalised under transformation.

Schools Improvement – the projected forecast overspend within this area has risen to £104k from the £49k projected at the end of August. This is mainly due to unachieved savings in respect of the change in admission age and the transformation of the 3 year plus provision. Alternative delivery options are being considered by the Service. Underspends offsetting costs have now been removed as part of the corporate budget review which is also a contributing factor.

Home to School Transport – the forecast position remains the same with an overspend of £147k projected, not including any re-tender price changes. The forecast includes unachieved savings of £81k and a projected overspend of £80k in respect of 14-19 provision as previously reported.

The centrally retained provision for supply costs projected overspend has reduced to £81k, this is due to ongoing supply commitments, further work is required to determine when the projected costs will cease.

Schools delegated central – expenditure is projected to exceed budget by £193k and is due to an over commitment on the contingency for class size protection provided to schools and £120k unachieved saving relating to small school closures.

These overspends are being offset by an underspend of £302k within the Special other budget this is mainly due to increased income for inter-authority recoupment.

Service Area	Net Budget	Forecast Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
Workforce, OD and Comms	2,479	2,553	(74)	(3)	R

The position within Workforce, OD and Comms has improved by £43k from that reported at the end of August, due to the corporate budget review. Unachieved savings of £144k remain the main reason for the overspend in this area.

Service Area	Net Budget	Forecast Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
Central Activities	2,413	3,552	(1,139)	(47)	R

The position within this area has improved by £164k compared to the previous forecast due to the corporate budget review. The Council Tax surplus remains at a projected £700k. The £1.7m saving for third party spend and additional income remains a pressure on the current year's budget. Additional income is being generated but is included in service specific proposals, this pressure will be removed as part of next year's budget plan. The capitalisation of transformation costs held within these budgets will significantly improve the projected outturn.

4.3 Other Service areas which are not RAG status RED but due to a high level of scrutiny, further information is also provided below.

Service Area	Net Budget	Forecast Spend	Variance (Over) / Under spend	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	%	
Adult Social Care	65,834	65,308	526	0.8	G

The forecast underspend position within Adult Social Care has reduced by a further £321k from August with a year end position as at the end of September projected at £526k. A further £100k of savings have been delivered during the month, with £461k still remaining. £767k of the original £2.2m investment still remains to be allocated to Service budget headings, this will only be released on presentation of business cases which satisfy criteria set out by full council.

The forecast does not account for future demography, learning disability transitions, contractual agreements including uplifts or winter pressures. In addition, the liability associated with the recent judicial review relating to the payment of the National Living Wage in respect of "Sleep-ins" is still being calculated for the in-house service and legal direction has been sought re external providers.

The Adult Social Care projected "Demography" in the Financial Resources Model (FRM) 2018/19 is being managed in part by prevention and cost avoidance, through the following:-

- Telecare- £270k
- Direct Payments as opposed to traditional Home Care £75.9k
- Shared Lives instead of a Residential placement/Supported Tenancy – £56.9k
- Reablement

If these preventative and early intervention measures were not in place, then costs would be reflected in the forecast outturn position in line with the FRM.

Schools Delegated	75,287	75,555	(268)	(0.36)	G
--------------------------	---------------	---------------	--------------	---------------	----------

The BRAG rating of Green reflects the projected outturn against budget plans submitted by the Schools. These plans include a significant draw on their delegated reserves. Budget plans across the primary sector expect to draw a net £541k from reserves, an increase of £63k on that reported at the end of August, £86k in the Special sector. This will be updated monthly going forward.

Budget Plans and forecasts received for Secondary schools are projecting a net £1.2m in year draw from reserves. In line with the Scheme for Financing schools, Secondary Schools are required to submit monthly forecast end of year projections, and if not received will be notified of the failure to comply with the scheme, continued non-compliance will result in a notice of concern. Recovery plans have been requested by the end of September for all schools with unlicensed deficit budgets.

5. Savings

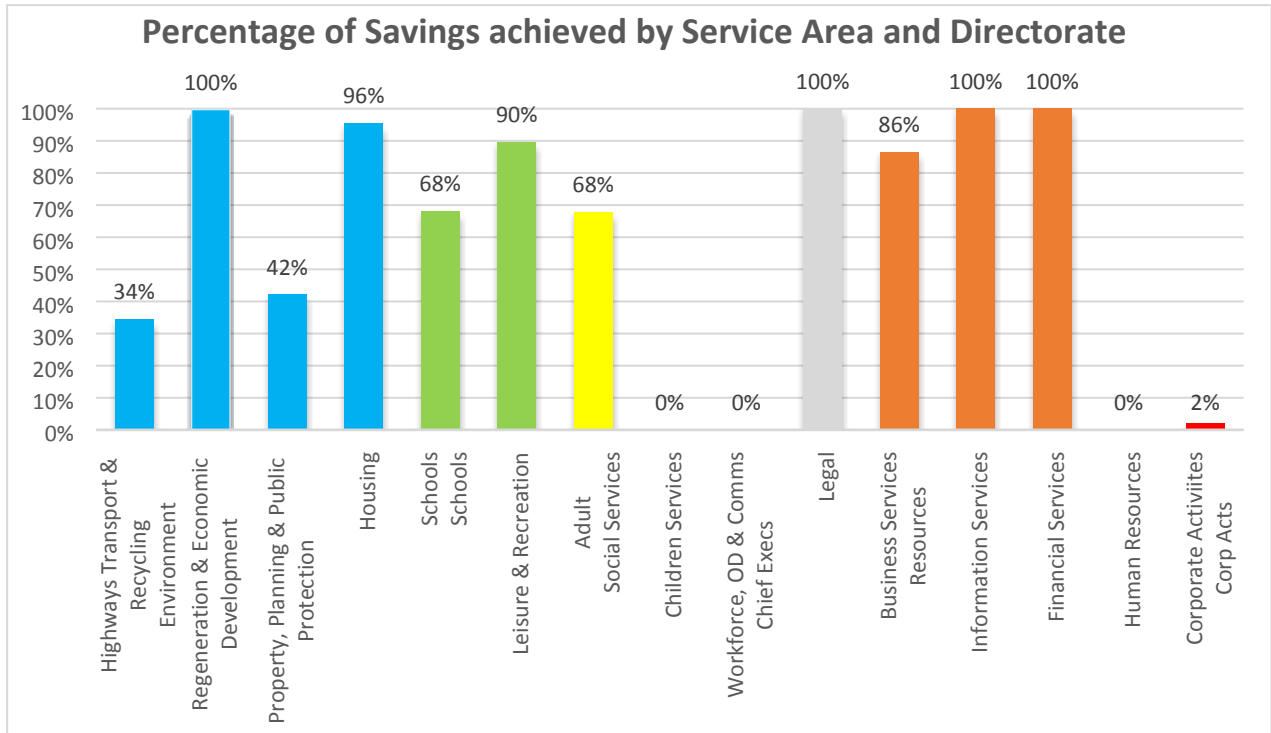
5.1 The table below summarises the delivery of the savings including those that remained undelivered in prior years; £5.1m or 41% has been delivered. For prudence the forecast includes savings that have been achieved or have progressed to a point where there is confidence in final delivery taking place. It does not reflect expectations that are not currently being realised.

	Target £'000	Delivered £'000	Variance £'000
2015/16	1,157	77	1,080
2016/17	321	0	321
2017/18	1,975	351	1,624
2018/19	8,843	4,697	4,146
Total	12,296	5,125	7,171

5.2 Further analysis of the unachieved savings showing the RAG status by Directorate is provided in the table below. Further detail by Service area can be found in Appendix B.

UPDATE ON DELIVERY OF SAVINGS PROPOSALS BY RAG				
Directorate	RED	AMBER	GREEN	TOTAL UNACHIEVED SAVINGS AS AT 30TH SEPT 2018
	£'000	£'000	£'000	£'000
Social Services	2,298	461	0	2,759
Environment	0	1,617	0	1,617
Schools	504	74	0	578
Resources	50	97	0	147
Corporate Activities	1,963	0	0	1,963
Chief Executives	107	0	0	107
Total	4,922	2,249	0	7,171

5.3 The graph below shows the percentage of savings achieved to date by Service Area and Directorate.



6 Virements and Grants for Approval

- 6.1 Virement for £55k from reserve to cover the cost of inspections of non-adopted roads and pavements on Housing Services Estates. This activity is not within the Highways Inspection Programme, and relates to HRA land assets. Therefore, it requires separate funding. It is proposed to place the work with Powys County Council Highways Department.
- 6.2 Virement for £176k from reserve to cover the cost of weed spaying, and subsequent removal of dead weeds, from the non-adopted Housing Estates. This activity is not within the grounds maintenance contract, and therefore requires separate funding. It is proposed to place the work with Powys County Council Highways Department.
- 6.3 Intermediate Care Fund (ICF) £805k – Powys County Councils allocation to help health boards and partners in local authorities, housing and the voluntary and independent sectors to work together to support frail and older people, people with a learning disability, children with complex needs due to disability or illness, carers, including young carers.

7 Options Considered/Available

No alternative options are considered appropriate as a result of this report.

8 Preferred Choice and Reasons

None to consider.

9 Impact Assessment

Is an impact assessment required? Yes/No

10 Corporate Improvement Plan

To achieve the Corporate Improvement Plan (CIP) objectives the Council undertakes forward planning with its medium term financial strategy (MTFS) - this sets out the financial requirements to deliver the short and longer term council vision. These capital and revenue monitoring reports are used to ensure the funding identified to deliver the council priorities is spent appropriately and remains within a cash limited budget.

11 Local Member(s)

This report relates to all service areas across the whole County.

12 Other Front Line Services

This report relates to all service areas across the whole County.

13 Communications

Budget information is of interest to internal and external audiences and regular updates are provided by the Portfolio Holder for Finance. Detailed finance reports are presented to Heads of Service, Cabinet and the Audit Committee. These reports are public and are part of a range of statutory and non-statutory financial information documents including the Statement of Accounts.

14 Support Services (Legal, Finance, HR, ICT, BPU)

This report has no specific impact on support services other than reporting on those service areas financial outturns. Financial Services work closely with all service areas in monitoring financial performance against budgets.

15 Scrutiny

Has this report been scrutinised? Yes / No

16 Data Protection

If the proposal involves the processing of personal data then the Data Protection Officer must be consulted and their comments set out below.

17 Statutory Officers

The Head of Financial Services (Deputy Section 151 Officer) has provided the following comment:

The projected position continues to report a deficit outturn. The option to capitalise transformation costs provides an opportunity to improve the revenue position and this together with assurance that savings for some Directorates will be delivered significantly reduces the overall deficit projected.

The Council has made a significant level of investment into social care services in Powys. The additional funding provided budget to support the increased level of demand experienced in both service areas and also funded the detailed plans for improvement. Demand within Children's services continues and placement costs are already exceeding the increased level of budget. This continues to be an area of financial risk for the Council.

Assurance received that further savings will be delivered is reassuring, however the outstanding savings removed from the base budget within children's services remain an issue, further consideration of these will to be taken through the budget process, any change in this requirement will add to the savings gap for 2019/20.

The council needs to further address the projected deficit and deliver an outturn more in line with the approved budget. The actions taken to date have improved the projected forecast, but further action to limit or delay spend will improve the position further and limit the impact on the general fund reserve.

School budgets particularly those within the secondary sector, remain a risk that needs to be addressed, compliance work and action is crucial to ensure that this is managed effectively.

The Monitoring Officer has no specific concerns with this report.

17 **Members' Interests**

The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest, they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:		Reason for Recommendation:	
<p>a. That the contents of this report are noted.</p> <p>b. That the virements proposed in sections 6.1 to 6.3 are approved.</p>		<p>To monitor the council's financial performance and ensure that spending remains within approved limits and that the 3% minimum general fund reserve is maintained.</p>	
Relevant Policy (ies):		Financial Regulations	
Within policy:	Yes	Within Budget:	n/a
Relevant Local Member(s):			
Person(s) To Implement Decision:		Jane Thomas	
Date By When Decision To Be Implemented:		Ongoing	
Contact Officer	Tel	E mail	
Jane Thomas	01597 827789	jane.thomas@powys.gov.uk	

APPENDIX A

Forecast Outturn and Undelivered Savings as at 30th September 2018

Service Area	Net Budget	Forecast Spend	Variance (Over) / Under spend	Total Unachieved Savings as at 30th September 2018	Service Under/(Over) spend excl. unachieved savings	Variance (Over) / Under spend as a % of Net Budget	Variance BRAG status
	£'000	£'000	£'000	£'000	£'000	%	
Social Services							
Adult & Commissioning	65,834	65,308	526	(461)	987	0.8	G
Children Services	18,513	24,539	(6,026)	(2,298)	(3,728)	(32.6)	R
Environment							
Regeneration	1,392	1,347	45	0	45	3.2	B
Property Planning and Public Protection	7,101	6,836	265	(176)	441	3.7	B
Housing General Fund	951	918	33	(4)	37	3.5	B
Highways, Transport & Recycling	21,259	23,057	(1,798)	(1,437)	(361)	(8.5)	R
Schools							
Schools Service	27,288	28,243	(955)	(504)	(451)	(3.5)	R
Leisure & Recreation	8,775	8,497	278	(74)	352	3.2	B
Resources							
Business Services	6,633	6,553	80	(97)	177	1.2	B
Information Services	4,121	4,118	3	0	3	0.1	G
Legal Services	3,066	3,007	59	0	59	1.9	B
Financial Services	1,892	1,865	27	0	27	1.4	B
Workforce, OD and Comms	2,479	2,553	(74)	(157)	83	(3.0)	R
Service Area Totals	169,304	176,841	(7,537)	(5,208)	(2,329)	(4.5)	
Central Activities	2,413	3,552	(1,139)	(1,963)	824	(47.2)	R
Total	171,717	180,393	(8,676)	(7,171)	(1,505)	(5.1)	
Housing Revenue Account (HRA)	0	(13)	13	0	13	0.0	G
Schools Delegated	75,287	75,555	(268)	0	(268)	(0.4)	G
Total including HRA	247,004	255,935	(8,931)	(7,171)	(1,760)		

Efficiency / Saving	2015/16	2016/17	2017/18	2018/19	Total to be Achieved 18/19	Total Achieved to Date	Remainder to find	Achieved
	£000's	£000's	£000's	£000's	£000's	£000's	£000's	%
Environment								
Highways Transport & Recycling	0	0	270	1,923	2,194	756	1,437	34%
Regeneration & Economic Development	0	0	0	100	100	100	0	100%
Property, Planning & Public Protection	0	0	31	272	303	128	176	42%
Housing	0	0	0	86	86	82	4	96%
Environment	0	0	302	2,381	2,683	1,066	1,617	40%
Schools								
Schools	158	0	49	1,376	1,583	1,079	504	68%
Leisure & Recreation	0	0	0	709	709	636	74	90%
Schools	158	0	49	2,085	2,292	1,714	578	75%
Social Services								
Adult	0	0	0	1,432	1,432	971	461	68%
Children Services	0	1	1,101	1,197	2,298	0	2,298	0%
Social Services	0	1	1,101	2,629	3,730	971	2,759	26%
Chief Executives								
Workforce, OD & Comms	0	0	0	107	107	0	107	0%
Legal	0	0	0	61	61	61	0	100%
Chief Executives	0	0	0	168	168	61	107	37%
Resources								
Business Services	0	0	92	623	715	618	97	86%
Information Services	0	0	32	323	354	354	0	100%
Financial Services	0	0	0	303	303	303	0	100%
Human Resources	0	0	0	50	50	0	50	0%
Resources	0	0	124	1,299	1,422	1,275	147	90%
Corporate Activities	999	320	400	281	2,001	38	1,963	2%
Grand Total	1,157	321	1,975	8,843	12,296	5,125	7,171	42%

RESERVES BALANCES AS AT 30th SEPTEMBER

APPENDIX C

Summary	Opening Balance (1st April 18) Surplus / (Deficit)	Forecast Addition / (Use) of Reserves	Forecast (Over) / Under Spend	Projected Balance (31st March 19) Surplus/ (Deficit)
	£'000	£'000	£'000	£'000
General Fund	9,680	21	(3,866)	5,835
	9,680	21	(3,866)	5,835
Ringfenced & Specific Reserves				
Budget Management Reserve	3,584	0		3,584
Specific Reserves	2,356	50		2,406
21st Century Schools Reserve	5,524	(5,000)		524
Adult Services Reserve	2,750	(2,004)		746
Regeneration Reserve	100	(100)		0
HOWPS	185	(137)		48
Mid Wales Growth Fund	150	0		150
Highways Reserve	57	(57)		0
Invest to Save & Corporate Initiatives (inc J	5,830	(1,031)		4,799
Insurance Reserve	1,587	0		1,587
Transport & Equipment Funding Reserve	6,163	(2,082)		4,081
Sub-Total	28,286	(10,340)	0	17,925
Schools Delegated Reserves	(693)	(1,705)	(268)	(2,666)
School Loans & Other Items	(185)	7		(178)
Net School Delegated Reserves	(878)	(1,698)	(268)	(2,844)
Total Ringfenced & Specific Reserves	27,408	(12,038)	(268)	15,081
Housing Revenue Account	3,267	212	13	3,492
	3,267	212	13	3,492
Total Revenue Reserves	40,355	(11,826)	(4,121)	24,408

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

**CYNGOR SIR POWYS COUNTY COUNCIL.
CABINET EXECUTIVE**

6th November 2018

**REPORT AUTHOR: County Councillor Aled Davies
Portfolio Holder for Finance**

**SUBJECT: Capital Programme Update for the period to 30th
September 2018**

REPORT FOR: Decision / Discussion / Information

1. Summary

- 1.1 The Capital Governance Framework identifies multiple points within a project's life cycle where decisions have to be made to progress. These decisions vary from approval of options for further analysis, to final investment decisions and change control.

This monthly Capital report on the status of all projects within the Capital strategy, is an integral part of the Governance Framework for Capital development works. It ensures that stakeholders are engaged in evaluation and decision-making and encourages a disciplined governance that includes approval gateways at which prudence, affordability and sustainability of projects are reviewed.

- 1.2 The Revised working budget for the 2018/19 Capital Programme, after accounting for approved virements, is £119.424m (The Original budget was £87.703m). The Increase in budget is largely due to virements from previous year's programme that have lapsed into 2018/19.
- 1.3 The actual spend to the end of September is £24.034m and a further £35.082m has been committed.
- 1.4 Table 1 below summarises the position for each portfolio and service.

Table 1 Capital Table as at 30th September 2018

Service	Original Budget	Virements Approved	Virements Required by Cabinet	Virements Required by Council	Revised Working Budget 2018/19 as at 30th September 2018 (after virements approved and required)	Actuals	Commitments	Remaining Budget	
	£,000	£,000	£,000	£,000	£,000	£,000	£,000	£,000	%
People									
Adult Services & Commissioning	819	502	0	0	1,321	82	181	1,058	80.1%
Childrens Services	0	61	0	0	61	-196	216	41	67.2%
Housing	1,825	1,016	0	0	2,841	949	680	1,212	42.7%
Schools and Inclusion	39,367	5,780	0	0	45,147	7,008	20,877	17,262	38.2%
Workforce, OD and Comms	0	0	0	0	0	0	0	0	
Resources									
Business Services	0	298	0	0	298	106	25	167	56.0%
Information Services	1,610	947	0	0	2,557	274	424	1,859	72.7%
Legal Services	0	19	0	0	19	0	0	19	100.0%
Financial Services	578	-378	0	0	200	0	0	200	100.0%
Corporate Activities	0	0	0	0	0	0	0	0	
Place									
Highways, Transport & Recycling	16,380	9,259	0	0	25,639	5,935	3,338	16,366	63.8%
Leisure & Recreation	3,357	5,779	0	0	9,136	3,912	898	4,326	47.4%
Regeneration	1,125	-459	0	0	666	108	65	493	74.0%
Property, Planning And Public Protection	2,503	2,544	-175	0	4,872	238	802	3,832	78.7%
Total Capital	67,564	25,368	-175	0	92,757	18,416	27,506	46,835	50.5%
Housing Revenue Account	20,139	13,308	0	-6,780	26,667	5,618	7,576	13,473	50.5%
TOTAL	87,703	38,676	-175	-6,780	119,424	24,034	35,082	60,308	50.5%

1.5 The funding of the capital programme is shown in Table 2 below. It has been revised from the original budget of £87.703m to £119.424m as at 30th September 2018 to reflect virements and re-profiling of the capital programme. This matches the projected expenditure to ensure a balanced budget.

1.6 Table 2 Funding of the Capital Budget as at 31st August 2018

Revised Working Budget 2018/19 as at 31st August 2018 (after virements approved and required)						
Funding Source	Supported Borrowing £'000	Prudential Borrowing £'000	Grants £'000	Revenue Contributions To Capital £'000	Capital Receipts £'000	Total £'000
Council Fund	-16,731	-34,051	-25,231	-12,037	-4,706	-92,756
HRA	0	-17,256	-3,792	-5,085	-534	-26,667
Total	-16,731	-51,307	-29,023	-17,122	-5,240	-119,423

2. Proposal

- 2.1 A number of virements are proposed for approval:-
- 2.2 **Office Accommodation** – Works at County Hall are progressing but a virement is now requested to roll £175,000 into 2019-20 in line with the intended works schedule.
- 2.3 **Housing - WHQS** – £1.78m of WHQS Capital relating to Estate Works is requested to be rolled forward into 2019-20 in line with the intended works schedule. There are no implications for achieving the WHQS.

A total of £4.8m has been spent against WHQS Schemes to date. This represents 28% of the budget in this financial year. The quarter 2 claim for the Major Repairs Allowance from Welsh Government has been submitted, which will ensure that the authority has claimed the full £3.68m allocated.

- 2.4 **HRA New-builds** – Works are progressing on various sites, however, it is expected that site works will commence around the end of the financial year. It is requested that a virement to roll £5m forward into 2019-20 to match the intended works schedule is approved.

3. Project Update

3.1 21st Century Schools

Work on the Band A phase of the 21st Century Schools programme is progressing well. The only exception is the Welshpool catchment area schools. The decision by Cadw to list Ysgol Maesydre has had a huge impact, on both the Budget and the timelines of the project. Consequently, the Welsh Medium School has been deferred to Band B of the programme. The Welsh Government has made available for 2018/19, a grant of £14.529m. This will be released through Capital Grant (£10.0m) and Local Government Borrowing Initiative (£4.529m). How much of the grant we claim will depend on how much work has been done at year end. As at the end of September, only £3m of eligible claim could be made.

- 3.2 **Housing:** The WHQS Schemes are progressing well with a total spend of £3.8m to date which represents 25% of the budget for 2018/19 financial year. As reported in August, the spend profile for the WHQS is being reviewed on a monthly basis. A virement of £6.780m from 2018-19 to 2019-20, in line with projection at the end of September is therefore requested. Further adjustment may be required going forward as a result of the monthly review.
- 3.3 **Highways, Transport and Recycling (HTR):** have a working budget of £25m. Total spend at the end of August, including commitment is £9.273m, representing 36% of budget. Finance are monitoring the project performance with project officers to ensure that work is progressed in line with expectation.
- 3.4 **Salt Barns:** - The main aspect of this project will not happen before the close of the current Financial year. A review is currently on-going with a view to transferring a significant part of the budget to next financial year.

4. Options Considered / Available

- 4.1 N/A

5. Preferred Choice and Reasons

- 5.1 N/A

6. Impact Assessment

- 6.1 Is an impact assessment required? Yes/No

7. Corporate Improvement Plan

- 7.1 To achieve the Corporate Improvement Plan (CIP) objectives the Council undertakes forward planning with its medium term financial strategy (MTFS) - this sets out the financial requirements to deliver the short and longer term council vision. These capital and revenue monitoring reports, are used to ensure the funding identified to deliver the council priorities is spent appropriately and remains within a cash limited budget.

8. Local Member(s)

- 8.1 This report relates to all service areas across the whole County.

9. Other Front Line Services

- 9.1 This report relates to all service areas across the whole County

10. Communications

10.1 Have Communications seen a copy of this report? Yes/No

Have they made a comment? If Yes insert here.

11. Support Services (Legal, Finance, Corporate Property, HR, ICT, Business Services)

11.1 This report has no specific impact on support services other than reporting on those service areas with capital programmes. Financial Services work closely with all service areas in monitoring financial performance on capital programmes against budgets.

12. Finance

12.1 This monthly Capital report on the status of all projects within the Capital strategy is an integral part of the Governance Framework for Capital development works.

12.2 The virements proposed in section 2 of this report, are to align the actual works expected to be done in the current financial year to the funding required to finance such Capital works. This is a prudent approach to ensure that the Council only makes available what is required to finance the Capital expenditure. There are no exceptional financial implications to be reported at this time.

13. Scrutiny

13.1 Has this report been scrutinised? Yes / No?

14. Data Protection

14.1 N/A

15. Statutory Officers

15.1 The Head of Financial Services & Deputy Section 151 Officer notes the contents in the report.

The Monitoring Officer notes the content of the report and makes no specific comment upon the same.

16. Members' Interests

16.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If Members have an interest, they should declare it at the start of the meeting and complete the relevant notification form.

Recommendation:	Reason for Recommendation:
<p>a. The contents of this report are noted by Cabinet.</p> <p>b. The Capital virements set out in Section 2 are approved, and those over £500k be submitted to full council for approval.</p>	<p>To outline the capital budget position as at 30th September 2018.</p> <p>To ensure appropriate virements, are carried out.to align budgets with spending plans.</p>

Relevant Policy(ies):	
Within Policy:	Y / N
Within Budget:	Y / N

Relevant Local Member(s):	
----------------------------------	--

Person(s) To Implement Decision:	
Date By When Decision To Be Implemented:	

Is a review of the impact of the decision required?	Y / N
If yes, date of review	
Person responsible for the review	
Date review to be presented to Portfolio Holder/ Cabinet for information or further action	

<p>Contact Officer: Jane Thomas Tel: 01597-826290 Email: jane.thomas@powyscc.gov.uk</p>

CYNGOR SIR POWYS COUNTY COUNCIL

AUDIT COMMITTEE

16th November 2018**REPORT AUTHOR: Risk Management Officer****SUBJECT: Corporate Risk Register Quarter 1 2018/19**

REPORT FOR: Information

1. Summary

The Council is in a process of continuously improving and updating its approach to risk management to help better understand and manage the risks the Council is facing, and to increase the likelihood of achieving its objectives. Risk management is a core management discipline that supports organisational delivery. The risks that Powys County Council face are changing all the time, so the art of good risk management is to combine planning for what we know might happen with preparation for unknown situations, and to safeguard the organisation and in turn make it more resilient.

2. Risk Management Improvement

Risk management within Powys County Council has been reviewed, and has undergone internal audit by South West Audit Partnership (SWAP). An improvement action plan has been devised by the former Business Continuity and Risk Management Officer. This has been agreed by the Acting Director – Resources, and SWAP, and will now be implemented by the Corporate Policy, Assurance and Inspection Officer.

The new Risk Management Toolkit and electronic risk management software (JCAD Core) was agreed by Executive Management Team/Heads of Service on 18th April 2018. This has since been agreed by Audit Committee (27th April 2018), and was signed off by Cabinet on 19th June 2018.

It was envisaged that that the new Risk Management Toolkit and electronic risk management software would be implemented by August 2018, in time for Quarter 1 2018/19 reporting, however due to a change in personnel, and other commitments, this will now be implemented on a phased approach from Quarter 2 2018/19.

3. Corporate Risk Register

Full details of the risks, consequences, and identified mitigation is included on the attached Risk Register (Appendix 2) (changes shown in red text), summary sheet (Appendix 3), and heat map (Appendix 4).

As a result of a cleansing processes the following four risks have been removed from the Corporate Risk Register: -

- i. **CG2 – Data Protection Breaches.**

This has now been superseded by the General Data Protection Regulations (GDPR).

- ii. **CR7 – Transition post-election of the Pensions Committee.**
Risk removed due to the Pensions and Investment Committee successfully reforming following the 2017 Local Government Elections.
- iii. **CR18 – Ability to meet the £1.428m savings target for 2018/19. Addressing the deficit in the FRM for 2018/2019 (Adult Social Care).**
This risk has been removed following correspondence with the Head of Strategic Policy and Performance, this was deemed inappropriate to be listed on the corporate risk register, and is more suitable for monitoring at a Service Level.
- iv. **CR2 – Inability to recruit the level and scale of staff required to vacant posts across the organisation due to inability to attract and/or an unsustainable employable local demographic.**
Due to its similarity with ASC18, this risk has been removed, and appropriate information merged into ASC18.

The following risk has been amended on the corporate risk register: -

- a) **LR24 – Brecon Cultural Hub (y Gaer).**
New risks within the project have been identified including possible need to draw upon additional funding, revenue funding, project reporting, and possible delays. The overall risk however remains high.

The following risk has been added/raised to the Corporate Risk Register in the current reporting period: -

- a) **CS22 – Unavailability of WCCIS due to system and network issues.**
This has been added due to far reaching consequences to Children's Services of WCCIS being unavailable. These include: children being placed at risk, reduction in staff capacity, and the impact on performance reporting.

The remaining 28 risks remain unchanged for this period.

A number of risks on the Corporate Risk Register (particularly for Adults and Children's Services) are similar, this is due to the current methodology which is used. Following correspondence with the Director of Social Services, moving forward, it is anticipated that a combined Social Service Risk Register will be created, to mitigate repetition.

4. Statutory Officers

Section 151 Officer – the Head of Financial Services (Deputy 151 Officer) notes the comments of the Finance Business Partner.

Deputy Monitoring Officer notes the comments contained above and that the report is for Information purposes.

5. Future Status of the Report

Not applicable.

Recommendation:	Reason for Recommendation:
That Audit Committee notes the risk register and the current risks faced by the organisation.	To ensure the adequate management of risk, and safeguard the Council

Relevant Policy (ies):			
Within Policy:	Y / N	Within Budget:	Y / N

Relevant Local Member(s):	N/A
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Person(s) To Implement Decision:	N/A
Date By When Decision To Be Implemented:	N/A

Contact Officer Name:	Tel:	Fax:	Email:
Caroline Evans	01597826171		caroline.evans@powys.gov.uk

Background Papers used to prepare Report:

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

Risk Ref	Date Identified	Source	Service Area	Risk Identified	Potential Consequence	Inherent Risk		Current Controls	Risk Owner	Portfolio Holder	Proposed Further Actions / Controls	Residual Risk		Notes				
						P	I					Risk Rating	P		I	Risk Rating		
ASC9	15/07/2015	SIP	Adult Social Care	The Council's ability to recommission the Domiciliary Care Service without increased costs as a result of Dynamic Purchasing System (DPS).	Domiciliary Care Service fails, leaving service users at risk. Reputational and financial impact / damage. The Council would not be providing domiciliary care services according to procurement regulations. Increase in spend on Domiciliary Care.	M	C	High	8	Progressive rollout. Engagement with providers via contract management process. Action Plan & Accountability Framework. Action within SIP. Portfolio Holder delegated decision report was agreed for Domiciliary Care Framework Options (July 2017). Market position statement will lead into a Domiciliary Care Strategy. Implement approved provider list. Currently developing the DPS which will aim to manage costs by adopting floor and ceiling prices.	Alison Bulman	Cllr Stephen Hayes	Improved working arrangements with PAVO to support and build capacity in the third sector; Move from traditional provider / commissioner relationship to co-production with stakeholders; Develop outcome based commissioning. Integrated approach with PTHB to design a joint domiciliary service model. Revisit Adult Scrutiny Group with further proposals on the DPS.	L	H	Medium	3	
CR17	22/01/2016	SMT	Corporate	Living wage and increased pension requirements are resulting in increased financial pressure.	Additional financial implications; Some ASC providers may remove provision; Inability to meet statutory requirements; Unaffordable within current budget.	H	C	High	12	Working with ASC providers to understand increased cost pressures; Funding identified for 2017/18 in the budget process. Identify capacity issues. All change projects allocated a project manager. Regular budget monitoring. ICF money from WG to engage with Work undertaken with Vanguard.	David Powell	Cllr Aled Davies	Continuation of existing controls.	L	C	Medium	4	
ASC14	14/09/2015	CEO	Adult Social Care	Continuity of provision of WCCIS (DRAIG replacement). Financial model has not been implemented. WCCIS system is not currently able to provide all the data required for service monitoring and planning.	Loss of data resulting in officers being unable to access client files. Continuity of reporting; Loss of data; Decisions around service management and change can not be based upon robust data. The development of the DPS requires accurate data. Work is ongoing to utilise different packages within WCCIS, and work is ongoing with the Business Intelligence team to draw accurate information as required.	H	H	High	9	Ongoing support from ICT: - SIP Objective 2017 - ICT1 Support post implementation benefit release of the National WCCIS system. Some data will become available beginning of November 2017 enabling reporting and practice. Work is ongoing to utilise different packages within WCCIS, and work is ongoing with the Business Intelligence team to draw accurate information as required.	Alison Bulman	Cllr Stephen Hayes	Delivery plan for the proposed WCCIS finance module. Business Intelligence working on data reporting and performance measures from WCCIS. Some decisions may need to be deferred if the data is not ready. This could lead to financial loss, legal risk, and reputational damage.	H	H	High	9	
ASC15	Prior to 2014	SIP.LV2	Legal	Failure of governance.	Council acts ultra vires; Contravenes finance regulations and EU procurement regulations. Failure to distribute	M	M	Medium	4	All work is report based and there is a mechanism in place by which appropriate checks are made - two checks are made by Finance and two checks by Legal (Section 151 Officer and Monitoring Officer).	David Powell	Cllr Aled Davies	ModernGov Phase 2 project started. Input required from company to provide training. Will be piloted with one service initially. This will insist on timely provision of reports and will send reminder emails to the appropriate officers; Programme Governance Action Plan - spot audits of Programme Boards; Audit of Programme Board governance; Regulatory Reports.	L	M	Low	2	The software is extensively used by WG and automatically sends reminder emails to officers.
CR1	21/11/2012	Risk Register 21/11/12 12.100	Corporate	The Council is unable to manage the level of financial cuts required by the Welsh Government and the relatively poor funding position	The Council incurs significant overspend. Projected budget will suffer an overspend. Penalties and fines may be imposed Council reputation damaged	H	H	High	9	Medium Term Financial Plan; Cost Recovery work; 3rd party spend reduction; Income Generation; Monthly reports to cabinet and Management Team on budget progress and progress on savings; Budget Challenge Events; Moved to a 3 year balanced budget; Budget Management Reserve; Impact Assessments; Resource Delivery Plan.	Jane Thomas	Cllr Aled Davies	Re-establishment of the Income & Cost Improvement Board.	M	H	Medium	6	
CR6	21/11/2012	Risk Register 21/11/12 12.90	Corporate	Lack of adequate resilience planning	Non-compliance with Civil Contingencies Act (CCA) 2004; Failure to deliver critical services in the event of a declared emergency or event.	M	H	Medium	6	Education and training programme; Business Continuity Management (BCM) Group established; Services supported to produce their own Business Continuity Plans (BCPs); Self-evaluation of BCM incorporated into SIP process; PCC representation on Dyfed Powys Local Resilience Forum (LRF); 24/7 Duty Emergency Planning Officer to facilitate PCC response.	David Powell	Cllr Aled Davies	Continual engagement with BCM Champions via quarterly Business Continuity Group; Services to continue to develop and test their BCPs; External Education and Training with LRF Partners to ensure Integrated Emergency Management (IEM); Recent audit undertaken by Internal Audit team, resulting in an Action Plan.	L	M	Low	2	

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CR10	21/11/2012	Risk Register 21/11/12 12.97	Corporate	Failure to monitor and protect Council assets	Theft and abuse of Council property	H	M	Medium	6	Each service should have its own asset register; All ICT equipment should be recorded on the ICT central asset register.	Mark Evans	Clr James Evans	Ensure that all services have their own asset registers in place; Incorporate into Starters and Leavers process.	M	M	Medium	4	
E1	Prior to 2014	SIP	Environment Directorate	The authority does not have a sufficiently robust risk assessment process for the management of Health & Safety (H&S) across the organisation. In addition to this, due to nature of the work carried out in HTR, considerable reliance is placed on the workforce to deliver services safely, in the interests of both staff and public.	Injury to individuals and risk to the Authority; People could be seriously or fatally injured; Exposure to litigation.	H	H	High	9	Health and Safety meetings, revenues, training and audit; Public liability insurance; Procurement - external contractors risk statements - monitoring. Promotional campaign for risk assessment for staff across the authority completed w/e 26/05/2017; Staff bulletin issued; Management Team (MT) briefing cascaded to ensure learning is understood by all staff responsible for H&S.	Nigel Brinn	Clr James Evans	Continually review robust site supervision and monitoring processes internally and externally with contractors; Full review of risk assessments to be undertaken by all Service Areas - Risk assessment audit process currently being reviewed by H&S team; H&S to be included within IPRs; MT considering sufficiency of current mechanism for managing H&S.	M	H	Medium	6	
ICS1	Prior to 2014	SIP.ICT.?	ICT and Programmes	Current systems are not covered by a fully resilient DR Solution (Infrastructure and Policies/processes)	Failure to maintain key ICT services in the event of a major incident.	H	H	High	9	Close working with Microsoft and Platform Consultancy to explore utilising the latest cloud services. This will provide both a backup solution and disaster recovery solution. This will provide PCC with the ability to instantly power up all replicated servers in the cloud. Microsoft Data Protection Manager will perform nightly backups to on-site storage, this will then be replicated into Azure blob storage as an off-site back for long-term storage.	Mark Evans	Clr James Evans	Replacement of existing systems; Fire prevention for server rooms; Second link from a second site within the North of the County to replicate systems; New systems which are purchased require cloud hosting capability; SLA discussions will also impact the solutions; Engagement with external provider to identify and provide a suitable BC solution.	H	H	High	9	
PPPP12	11/12/2015	HoS	Property, Planning & Public Protection	We have identified CE1M of health and safety works (electricals, sewerage systems, asbestos etc.) that need to be undertaken on the 139 Farm Houses in our estate.	Financial and reputation risk to the Council if the remedial works are not undertaken.	H	H	High	9	A further £500k capital identified to undertake work in 2018/2019.	Nigel Brinn	Clr James Evans	Rolling programme of works. Funding for the urgent works has been dealt with as part of the Council's overall budget setting process. £500k capital works (urgent works) has been completed. Programme developed for the next 2 years to address the highest priority cases. Underspend from 17/18 rolled forward to 18/19.	M	H	Medium	6	Programme developed for £500k spend for 2018/2019.
Tudalen 166 PR14	13/01/2015	SMT	Corporate	Condition and security of buildings, premises and sites.	<ul style="list-style-type: none"> Breach of Equalities legislation; Failure to comply with H&S legislation; Failure to be able to provide services in a suitable way to the public, and accommodation which is suitable for staff. 	M	H	Medium	6	Strategic review of office accommodation in progress. Schools Review of Special Schools; 21st Century Schools Programme (prioritised according to pupil vulnerability); A new Schools Service Major Improvement Programme Scoring and Prioritisation criteria was agreed by Cabinet 3/3/15, and it was also agreed a spend of £1m per year for the next three years.	David Powell	Clr Phyl Davies	Strategic Outline Plan for 21st Century Schools and Capital Investment Programme; Revision of Schools Service Asset Management Plan including: - <ul style="list-style-type: none"> Revision of SLAs as part of JVC (incorporating Property Plus); Defined Client side role; Develop robust SLA with clearly defined roles; Develop a commissioning model; Understanding of how work is commissioned. Health & Safety Officer carrying out a rolling programme of audits. Further guidance to be issued to schools in September relating to Health & Safety and Safeguarding.	L	H	Medium	3	
CR15	25/01/2016	PCC Welfare Reform Advisory Group	Business Services	The welfare reform programme against a backdrop of changing legislation and roll out of Universal Credit has likelihood of large impact on Powys citizens, in addition to HRA income. Access to IT equipment. Resourcing issue, particularly in Libraries.	Customers having less income and requiring support to adjust; Resilience of service to continue to provide additional service as UC increases; In subsidy audit potential penalty imposed; Rent collection rates drop, resulting in a loss of income for the HRA; Inability to implement change requirements and provide the expected service within the Government set framework and targets.	V	M	High	8	Provide financial advice. Administer discretionary housing payments (DHP) to people who are unable to manage their housing costs (WG allocated fund); Steering Group chaired by Portfolio Holder; Communication and money advice to support people; Financial advisers employed. Digital support being provided (training to staff). Establishment of Operational Group within Powys to co-ordinate activities of joint communications plan, joint training plan. Support from DWP - training, help with launches (Joint Powys & DWP introductions).	Mark Evans	Clr Aled Davies	Financial profiling of tenants; Using Shire meetings to notify members; Discussions around working with Credit Unions to mitigate potential loss of income; Lessons learned via UC LA Group; Training provided to all support staff within Council; Template for work plans to be developed; Additional admin support to be used; Stakeholder event meeting.	H	M	Medium	6	Universal Credit will be rolled out in Powys by October 2018. Resource issue - however two new officers will working on a part-time basis to ensure work is completed.
CR16	07/07/2016	Audit Committee	Corporate	The impact on the Council as a result of Brexit	Interest rates, negative impact on investments and the pension fund, wider economic impact, exchange rates, European funding grants.	H	H	High	9	Close monitoring; Cabinet briefed; Advice from pension advisers; Continue to work with WEFO.	Mark Evans	Clr Aled Davies	Continue to monitor economic indicators. Ongoing dialogue with external advisers.	H	H	High	9	

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ICS8	13/01/2016 (Revised 03/04/2017)	ICT SMT	ICT and Programmes	Failure to control and secure ICT systems and data against unauthorised access including Cyber-crime attack.	Corrupt data resulting in data loss. Corrupt machines resulting in system down time. Loss of internet access resulting in reputational damage. Financial consequences if we were held to ransom.	V	H	High	12	Anti-virus software. Anti-malware software. Anti-spam software on email system. Firewalls. Security controls in place and continuously reviewed. Secure copies of data kept in the cloud to allow restoration of systems. Staff awareness of ICT security via e-learning.	Mark Evans	Cllr James Evans	ICT Governance reviewed and has directed a new BC to be authorised based on the results of field testing conducted on 3 products. Currently evaluating a product. Resilient systems to be implemented to allow delivery of ICT systems if main site compromised. Review to be undertaken of the NCSC 10 Steps to Cyber Security, to include: - 1. Risk Management Regime; 2. Network Security; 3. User education and awareness; 4. Malware prevention; 5. Removable media controls; 6. Secure configuration; 7. Managing user privileges; 8. Incident management; 9. Monitoring; 10. Home and mobile working. Patching (updating software to ensure they have no vulnerabilities). Implementation of Government Cyber Essentials	M	H	Medium	6	Linked to CR19.
HTR2	2014	SIP	Highways, Transport & Recycling	Meeting the requirement of the MTFS, including achievement of savings and income generation targets. Noting the Transformation stretch target of £1.0m and the unfunded service pressures.	Financial implications for the Authority - budget will suffer an overspend. Impact on other services / functions.	H	H	High	9	Regular review through the MTFS and corporate governance; Programme and Project Boards; Finance report to Cabinet	Nigel Brinn	Cllr Phyl Davies	Monitoring and reporting through corporate financial processes and systems	H	H	High	9	
LR24 Tudalen 167	2016	LR SIP 2016-19 Objective LR10	Leisure & Recreation	<u>Brecon Cultural Hub (y Gaer)</u> 1. Possible need to draw upon £75k agreed risk pot. 2. Possible delay to programme construction end date. 3. Insufficient revenue funding available and planned for, for the taking over of y Gaer - utilities; rates; staffing; cleaning. 4. No reporting line to Economy Programme Board set up at present.	1. Requirement to approach Portfolio Holder / Cabinet for use of additional funding within £75K risk pot. 2. Pressure placed on fit out and migration schedule; potentially delaying opening in 2018. 3. Revenue costs not able to be met, leading to overspend and requirement for increased revenue budget in future. 4. Risk to governance being sufficiently strategically observed.	H	H	High	9	- Cost fix now agreed and in place limiting any exceeding of agreed budget. Quantity & type of uncertainty greatly reduced as construction progresses. Risk being placed with Kier e.g. costs from programme delays. - Raising awareness internally, at project Board and with responsible Portfolio Holders and senior officers, along with partners and stakeholders. - Raising concerns at early stages, and escalating through Project Board and at the Economy programme Board once established. - Project Manager in place who has building and project management experience and knowledge – strict, persistent and challenging monitoring of contractors, costs & programmes protecting Council's budgetary interests. - Maintenance of regular (monthly) Project Board meetings involving detailed reporting, rigorous scrutiny and decision making.	Ian Budd Nigel Brinn	Cllr Phyl Davies Cllr Rachel Powell	- Continuation and expansion of project development activity including cost engineering reduction exercise and design refinements and acquisition of accurate tender prices and costings. - Continue close & exacting monitoring at high level between Powys County Council, consultants & contractors. - Continue fundraising campaigns to relieve pressures on budget, add value to overall scheme and mitigate deficiencies in cost plan i.e. where important scheme elements have been extracted (via VE) and need re-introducing e.g. development of Captain's Walk (now funded); purchase of furniture and fit out for overall building; design & fabrication of integral public art elements (2). - Continue to develop strong and transparent communication amongst project team; continue to liaise, communicate with & engage funding partners, stakeholders & community at strategic and local level. - Promote scheme widely to encourage and build support (further & future funding, volunteering input, sponsorship) and to ensure excellent service delivery and customer usage / satisfaction upon opening. - Continue detailed planning for a sustainable & rigorous business model to be in place upon opening.	H	H	High	9	Whilst the risk rating remains necessarily High due to the nature of costs being intrinsically partially fluid, the scale, type and impact of risk is greatly diminishing; Overall status of risk less critical as completion date draws closer (construction completion expected Aug 2018, with soft opening Dec 2018/Jan 2019).
HTR4	16/11/2017	SIP	Highways, Transport & Recycling	To provide safe highways assets and structures as far as reasonably practical	Breach of statutory duties and subsequent financial and reputational demand, e.g. third party claims.	H	H	High	9	Careful prioritisation of work and resource allocation (Capital budget). Revenue budget (cleaning, sweeping, winter maintenance).	Nigel Brinn	Cllr Phyl Davies	Capital investment in highway network, road safety grants; Revise and update Highways Asset Management Plan; Determine future levels of service; Improve operational delivery.	H	H	High	9	

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CS4	14/11/2017	SMT	Children's Services	Develop structure to respond to CSSIW report (August 2017).	<ul style="list-style-type: none"> - Meeting regulatory and legislative duties. - Managing demand on the service. - Risk to children. - Recruitment and retention of staff. - Staff morale. - Reputational damage. 	H	H	High 9	<ul style="list-style-type: none"> - Assurance Board. - Improvement Plan. - Partnership Board (with other agencies). - Increase number of qualified social workers (additional staff recruited). - Communications strategy (internal/external). - Monitoring by CIW. - Report to Minister/CIW every 90 days. - Improved monitoring structures with Elected Members. - Updated and implemented supervision programme. - Monitoring of timeliness of assessment. 	Alison Bulman	CIW Rachel Powell	Continuation of current controls.	H	H	High 9	
CS5	14/11/2017	SMT	Children's Services	Not having sufficient foster or respite placements.	<ul style="list-style-type: none"> - Children at risk. - Children placed greater distance from families. - Children in residential placements as no alternative available. - Children not having needs met. 	H	H	High 9	<ul style="list-style-type: none"> - Fostering marketing and recruitment campaign developed. - Increased scrutiny of corporate parenting from Elected Members. - Part of Improvement Plan. - Active monitoring of children's placements. - Monitoring of increased budgetary pressures. - Safe reduction of numbers of looked after children. 	Alison Bulman	CIW Rachel Powell	<ul style="list-style-type: none"> - Develop in-house provision to create efficiencies. - Increase in house capacity. - Increase early intervention to ensure families stay together. - Development of Edge of Care services. - CYP to develop services for children across all agencies in Powys (prevent). - Develop provision for respite across the county. - MAAP process needs to be reviewed. - Strong communications links for recruitment for carers. 	H	H	High 9	<ul style="list-style-type: none"> - Budget pressures exist. - Additional investment required to achieve performance. - Improved performance seen. - 8.5 FTE vacancies in service.
CR19	28/11/2017	CIOG	Corporate	Non Compliance of the principals of the General Data Protection Regulation (GDPR) at introduction.	<ul style="list-style-type: none"> - Potential fine of up to €20,000,000 or 4% of annual turnover. - Regulatory data protection audits. - Reputational loss of PCC. - Regulatory enforcement action. - Detriment to the data subjects. - Civil action and associated consequences. 	H	C	High 12	<ul style="list-style-type: none"> - Development of Communication Plan (completed September 2017) and in the process of being delivered. - Provision of information to SMT, HoS, and Team Meetings. - Presentations to schools. - GDPR Surgeries (completed December 2017). - Information Asset Audit (IAA) in progress, however this has been delayed to do resource issues, and lack of/late responses from some services. This will continue alongside GDPR preparation. - Development of internal records of processing, IAA are the foundations of this work. Deadline agreed at CIGG January 2019. - Staff training - work is underway to move current training into a new format. Completion expected Summer 2018. - Technical controls - existing controls will be documented by 25th August 2018. - Policies and Procedures - existing policies to be revised by 25th May 2018, Information Compliance Policy under development and to be completed by 25th May 2018. - Information sharing protocols - Information Asset 	Mark Evans	CIW James Evans	<ul style="list-style-type: none"> - Develop processes and provide awareness to all staff. - Actions from Information Asset Audit. - Further technical controls. - Further policies and procedures. 	M	C	High 8	<ul style="list-style-type: none"> - Data Protection Officer planning aspect in hand, however there are concerns over service area management of their responsibilities in terms of considering legal basis for processing, developing privacy notices etc. - Comes into force 25/5/18. - Linked to ICS8 and CG2. - Mark Evans appointed Senior Information Risk Officer (SIRO).
CS11	08/12/2017	HoS	Corporate	Failure to meet the statutory deadlines imposed on the Council as a relevant authority under the National Training Framework under Violence Against Women, Domestic Abuse and Sexual Violence Wales Act (2015).	<ul style="list-style-type: none"> - Risk to CIW inspection of adult services. - Potential criticism and legal challenge to the Council in the event of this lapse being a significant factor in a Domestic Homicide Review or instance of abuse. - Reputational damage to the authority. 	V	H	High 12	<ul style="list-style-type: none"> - Report considered by Cabinet, first two statutory requirements missed, requirement for 100% for Group 1 by 31st March 2018 missed. Outcome was 59% of staff completed training. - Presentations given to staff members who do not have IT access. 	Alison Bulman	CIW Stephen Hayes CIW Rachel Powell	Detailed improvement plan on VAWDASV prepared for Cabinet.	V	H	High 12	

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ASC18	15/07/2017	HoS	Adult Social Care	Inability to recruit the level and scale of staff required to vacant posts across the organisation due to inability to attract and/or an unsustainable employable local demographic. This is a particular issue within Adult Social Care, where the Social Care Wales requirement for carers to register may make the work less attractive, further exacerbating the issue.	Insufficient staff to meet service demands; Lack of qualified and experienced staff; Poor performance; Demotivated workforce; Unmet demand; Financial implications of using agency staff. Failure to recruit social workers has led to lengthy delays in assessments. Use of expensive agency staff can result in short term accountability, and a failure to provide a continuity of professional involvement for vulnerable service users. Short term funding of the enhanced brokerage service (to procure residential care placements) has led to inability to recruit and failure to provide the service as hoped. This has led to untrained practitioners brokering care placements with businesses and agreeing to costs significantly above the expected price.	H	H	High	9	- Investing in our workforce (training and development); - Support for staff; - Integrated approach across PCC and PTHB, including the alignment of HR/OD; - Working with HR Business Partners. - Powys County Council Recruitment Campaign. - Growing our own/career graded apprenticeship approach policy approved and launched.	Sarah Powell Alison Bulman	Cllr James Evans Cllr Stephen Hayes	- Develop workforce strategy looking at workforce demographics over next 5-10 years, skills and workforce training. - Integration of Mental Health teams to be scoped. - Move to a new approach of values based recruitment process. - Future Workforce (Making it Happen/Corporate Leadership and Governance Plan) has replaced ROOTS Programme. - Work with PCC/Heath Board to understand new skill mix required. Informed by Healthcare Strategy/Parliamentary Review of Health and Social Care in Wales.	M	H	Medium	6	Linked to ASC 19.
ASC19	23/10/2017	HoS	Adult Social Care	Projected demographics of Powys suggest a significant increase in older people, and a significant decrease in the working age population. Therefore ensuring an adequate caring and professional workforce is a risk.	Care provision and assessment provision becomes scarce, leaving service users at risk of no care.	V	C	Very High	16	Recruitment Campaign. Telecare.	Alison Bulman	Cllr Stephen Hayes	PSB Consideration? Consideration of workshop to brainstorm future strategy? Develop economy? Lobby Welsh Government? Research to be commissioned in partnership with the Powys Social Value Forum, Credu, and PAVO, considering the untapped workforce potential in one area of Powys. This will look at the possibility of carers, stay at home parents, retired individuals, and others becoming part time support workers or carers for service users. This work is to be aligned with and owned by the PCC workforce development service.	V	C	Very High	16	Linked to ASC 18. Needs consideration across wider Council and not just in ASC. Audit Committee will be reporting on this.
ASC22	15/07/2017	HoS	Adult Social Care	Current Bupa contract for Powys Care Homes expires June 2019. Powys needs to agree and implement new management of Care Homes post 2019.	If no contract is agreed and implemented, homes may need to be taken under the management of PCC, which could be costly and resource hungry.	H	C	High	12	Work being undertaken to appraise various options - being undertaken during March/April 2018 with a Cabinet report being prepared during the Spring of 2018.	Alison Bulman	Cllr Stephen Hayes	Meetings with interested parties. Meeting with one interested company is being held on 30th April 2018.	M	C	High	8	
CS12	02/02/2018	HoS	Children's Services	Addressing the deficit in the Children's Service FRM (£1.1million) for 2018/19.	Financial implications for the Authority - budget will suffer an overspend. Impact on other services / functions.	H	H	High	9	- Regular budget monitoring and reviewing of the savings tracker. - Development of transformation plan. - Review of residential placements.	Alison Bulman	Cllr Rachel Powell	- Future shape of service review. - Decrease use of agency staff.	V	H	High	12	
ASC28	01/04/2018	Adult's Service Transformation SMT	Adult Social Care	Legal case is being undertaken at the High Court with regards to payment for 'sleep-in' care work. Paying the National Minimum/Living Wage when carers are asleep has not been consistent. Depending upon the case law set this could lead to significant financial	Legal challenge. Reputational challenge. Financial impact - significant. It is estimated that the impact could be up to £1m in disability services alone.	H	H	High	9	Working group has been set up to consider options and to receive legal advice. This group is looking at practice elsewhere and considering current contracts in order to understand the situation fully. The group is also anticipating the outcome of the legal case being considered currently.	Alison Bulman	Cllr Stephen Hayes	Continuation of the actions set out previously with legal advice from the Council's solicitors expected at the next meeting.	H	H	High	9	
HS9	05/08/2015	Environment Management Team	Housing/ Property, Planning, and Public Protection	Heart of Wales Property Services (HoWPS).	Failure of statutory functions. Failure to perform repairs and maintenance. Failure to achieve projected savings. Reputational damage to PCC. Cost to PCC for compensating residents for poor performance. Officer time costs (due to additional workload). Financial Risk to HRA and wider Authority. Critical Wales Audit Office Report. Non-delivery of key projects due to lack of resources.	V	H	High	12	Head of Service on HOWPS Board of Directors. Portfolio Holder on HOWPS Board of Directors. Escalation of risk and concerns to Chief Executive and Strategic Directors. Recovery plan submitted by Kier on behalf of HOWPS. Additional resources allocated by Kier (3.5 FTE Change Managers). Close monitoring by Directors/Portfolio Holder/Chief Executive/Strategic Directors.	Nigel Brinn	Cllr James Evans Cllr Phyl Davies	Performance monitoring. Utilisation of contract document to escalate issues. Development of evidence and fall-back systems. Introduced weekly officer level meetings. Development of contingency plans for contract failure. Potential to invoke step in clauses for specific parts of the contract in line with contract. Awaiting consultation resource plan.	H	H	High	9	

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CS22	10/07/2018	Children's Services Management Team	Children's Services	Unavailability of WCCIS due to system and network issues.	Children at risk as files do not contain the most up to date information; Failure to update files with key data, impacting performance reported; Reduction in staff capacity; Impact of staff morale.	H	H	High	9	- Upgraded all switches that feed PPD office to 20Gbps; - Ensured that all PC's/Laptops are connected to 1Gbps port; - Setup monitoring on Park Office's switch stack; - Received a list from Careworks of URL's and IP addresses that will now allow us to properly test and then implement bypass of proxy for PTHB staff; - Investigating potential DNS issue for PCC staff; - Received quote and agreed purchase of upgrade for Ynys Y Plant; - Proceeding with further quotes for upgrade of other PTHB sites; - Contacted other LA's to understand their issues; - Liaising with BT with regards to upgrade of PSBA link into County Hall; - Working with BT to move schools to cloud filtering solution to stop bottleneck of traffic at County Hall.	Alison Bulman Mark Evans	Cllr Rachel Powell		H	H	High	9	

Ref	Trend	Corporate Priority	Risk Identified	Risk Owner	Portfolio Holder
ASC9	↔	Health and Care	The Council's ability to recommission the Domiciliary Care Service without increased costs as a result of Dynamic Purchasing System (DPS).	Alison Bulman	Clr Stephen Hayes
CR17	↔	Economy	Living wage and increased pension requirements are resulting in increased financial pressure.	David Powell	Clr Aled Davies
CR11	↔	Health and Care	Continuity of provision of WCCIS (DRAIG replacement). Financial model has not been implemented. WCCIS system is not currently able to provide all the data required for service monitoring and planning.	Alison Bulman	Clr Stephen Hayes
CG1	↔	All	Failure of governance.	David Powell	Clr Aled Davies
CR1	↔	Economy Residents and Communities	The Council is unable to manage the level of financial cuts required by the Welsh Government and the relatively poor funding position.	Jane Thomas	Clr Aled Davies
CR6	↔	All	Lack of adequate resilience planning.	Mark Evans	Clr Aled Davies
CR10	↔	All	Failure to monitor and protect Council assets.	Mark Evans	Clr James Evans
PL1	↔	All	The authority doesn't have a sufficiently robust risk assessment process for the management of Health & Safety (H&S) across the organisation. In addition to this, due to nature of the work carried out in HTR, considerable reliance is placed on the workforce to deliver services safely, in the interests of both staff and public.	Nigel Brinn	Clr James Evans
ICS1	↔	All	Current systems are not covered by a fully resilient DR Solution (Infrastructure and Policies/processes).	Mark Evans	Clr James Evans
PPP12	↔	Economy Residents and Communities	We have identified €1M of health and safety works (electricals, sewerage systems, asbestos etc.) that need to be undertaken on the 139 Farm Houses in our estate.	Nigel Brinn	Clr James Evans
CR14	↔	All	Condition and security of buildings and premises.	David Powell	Clr Phyl Davies
CR15	↔	All	The welfare reform programme and roll out of Universal Credit has likelihood of large impact on Powys citizens, in addition to HRA income.	Mark Evans	Clr Aled Davies
CR16	↔	All	The impact on the Council as a result of Brexit.	Mark Evans	Clr Aled Davies
ICS8	↔	All	Failure to control and secure ICT systems and data against unauthorised access including Cyber-crime attack.	Mark Evans	Clr James Evans
HTR2	↔	All	Meeting the requirement of the MTFs, including achievement of savings and income generation targets.	Nigel Brinn	Clr Phyl Davies
LR24	↔	All	Brecon Cultural Hub (y Gaer)	Nigel Brinn	Clr Phyl Davies
HTR4	↔	Economy Residents and Communities	To provide safe highways assets and structures as far as reasonably practical.	Ian Budd Nigel Brinn	Clr Rachel Powell Clr Phyl Davies
CS4	↔	Health and Care	Develop structure to respond to CSSIW report (August 2017).	Alison Bulman	Clr Rachel Powell
CS5	↔	Health and Care	Not having sufficient foster or respite placements.	Alison Bulman	Clr Rachel Powell
CR19	↔	All	Non compliance of the principals of the General Data Protection Regulation (GDPR) at introduction.	Mark Evans	Clr James Evans
CS11	↔	Health and Care	Failure to meet the statutory deadlines imposed on the Council as a relevant authority under the National Training Framework under Violence Against Women, Domestic Abuse and Sexual Violence Wales Act (2015).	Alison Bulman	Clr Stephen Hayes Clr Rachel Powell
ASC18	↔	Economy Health and Care Learning and Skills Residents and Communities	Inability to recruit the level and scale of staff required to vacant posts across the organisation due to inability to attract and/or an unsustainable employable local demographic. This is a particular issue within Adult Social Care, where the Social Care Wales' requirement for carers to register may make the work less attractive, further exacerbating the issue.	Alison Bulman Sarah Powell	Clr Stephen Hayes Clr James Evans
ASC19	↔	Health and Care	Projected demographics of Powys suggest a significant increase in older people, and a significant decrease in the working age population. Therefore ensuring an adequate caring and professional workforce is a risk.	Alison Bulman	Clr Stephen Hayes
ASC22	↔	Health and Care	Current Bupa contract for Powys Care Homes expires June 2019. Powys needs to agree and implement new management of Care Homes post 2019.	Alison Bulman	Clr Stephen Hayes
CS12	↔	Health and Care	Addressing the deficit in the Children's Service FRM (£1.1million) for 2018/19.	Alison Bulman	Clr Stephen Hayes
ASC28	↔	Health and Care	Legal case is being undertaken at the High Court with regards to payment for 'sleep-in' care work.	Alison Bulman	Clr Stephen Hayes
HS9	↔	All	Heart of Wales Property Services (HoWPS)	Nigel Brinn	Clr James Evans Clr Phyl Davies
CS22	NEW	All	Unavailability of WCCIS due to system and network issues.	Alison Bulman Mark Evans	Clr Rachel Powell Clr James Evans

Mae'r dudalen hon wedi'i gadael yn wag yn fwriadol

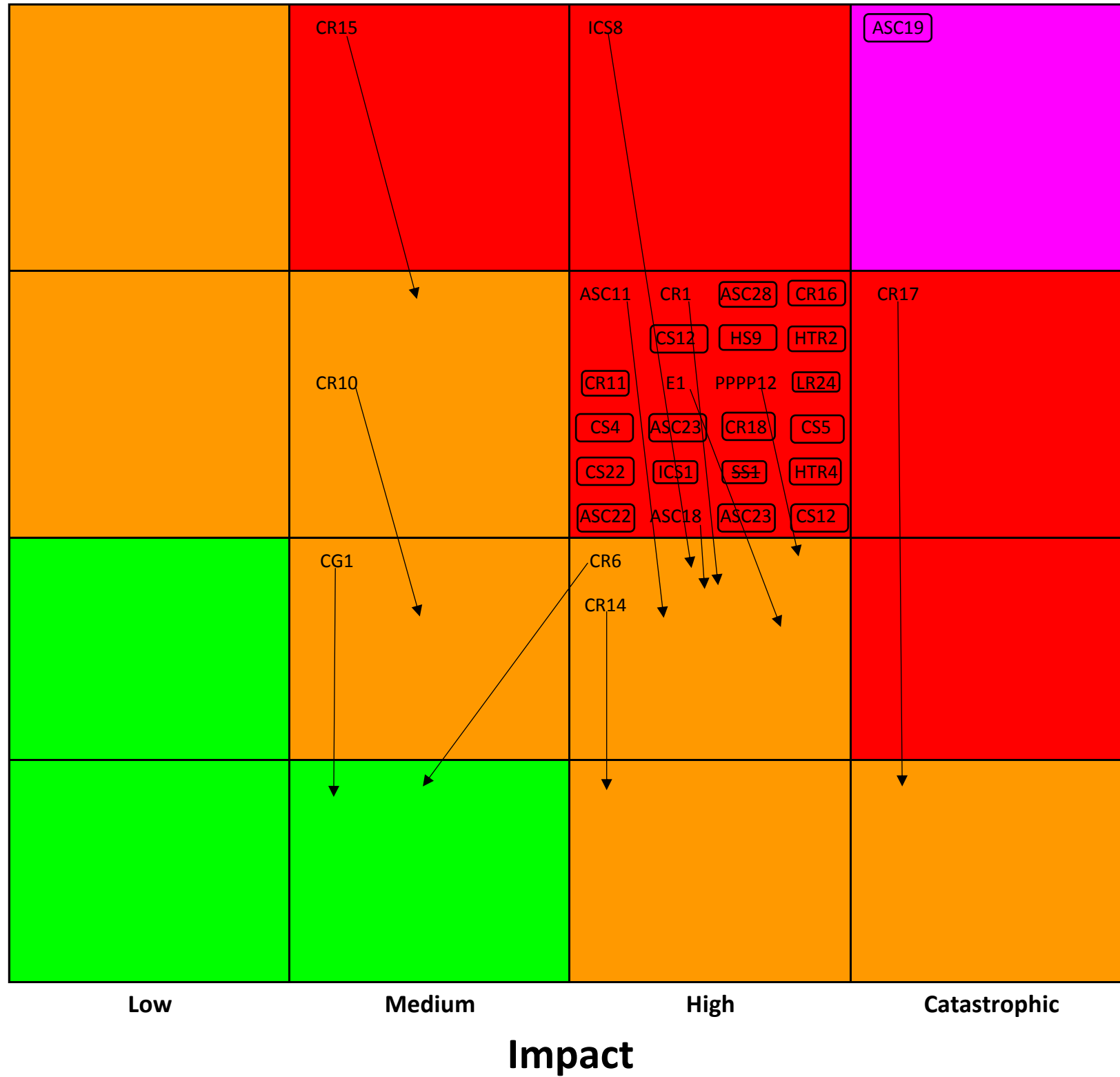
Probability

Very High

High

Medium

Low



The risk reference identifies the level of inherent risk to the Council before mitigating controls are applied (Inherent Risk).

The arrows from each risk point to the level to which the risk will reduce as a result of the mitigating controls being implemented (Residual Risk).

Those risks with around them do not change their level of risk with mitigation.

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Risk Assessment Matrix

1. Impact:

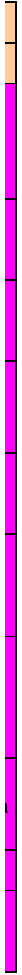
RISK CATEGORY	RISK TYPE	RISK IMPACT (Severity)			
		Low	Medium	High	Catastrophic
FINANCIAL	Financial				
	Reinstatement following loss / compensation & costs / economic losses / bad lending / VAT errors / fraud / fines	<£250,000	£250 - £750k	£750k - £2m	>£2m
HAZARD	Casualty	Minor Injuries / temporary ill-health	Ill health / disabling injuries	Single fatality	Multiple fatalities
	Employee &/or Public Injury / ill-health				
	Environmental	< 1 week	1 week – 1 month	1 - 12 months	> 1 year / recovery impossible
	Recovery/remediation time				
	Hazard	Low	Medium	High	Catastrophic
Maladministration / Improvement notice / legal proceedings					
OPERATIONAL	Operational	Low	Medium	High	Catastrophic
	Prevention of service efficiency				
	Procurement / Contract / Project Failure	Greater of 5% or £250k	Greater of 5-25% or £250- £70k	Greater of 25 - 50% or £70k - £2m	Greater of 50 – 100% or > £2m
	Additional costs / cost over-run / delays to completion				
	Service Provision (Interruption)	1- 6 days < 1 month	1 week–1month 1-3 months	1 – 6 months 3 - 12 months	> 6 months > 1 year
	Health / Education / Key Service				
Support / Administration / Leisure					
STRATEGIC	Reputation	Ward/Village	Local Media	Welsh Media	National Media
	Adverse / critical comment / Ombudsman Investigation / ICO Investigation				
	Prosecution/punishments			Disqualification	Imprisonment
	Strategic	Low	Medium	High	Catastrophic
	Failure to achieve corporate objectives				

2. Probability:

PROBABILITY	Definition
Low	Not likely to happen or may happen once every 20 years
Medium	Possible or may happen within 10 years
High	Likely or may happen once a year
Very High	Certain or happens several times a year

3. Risk Profile:

PROBABILITY	Very High (4)	Medium (4)	High (8)	High (12)	Very High (16)
	High (3)	Medium (3)	Medium (6)	High (9)	High (12)
	Medium (2)	Low (2)	Medium (4)	Medium (6)	High (8)
	Low (1)	Low (1)	Low (2)	Medium (3)	Medium (4)
		Low (1)	Medium (2)	High (3)	Catastrophic (4)
IMPACT					



CYNGOR SIR POWYS COUNTY COUNCIL.

AUDIT COMMITTEE

24th October 2018

CABINET

6th November 2018

REPORT AUTHOR: County Councillor Aled Davies
Portfolio Holder for Finance

SUBJECT: Treasury Management Qtr 2 Report

REPORT FOR: Information

1. Summary

- 1.1 CIPFA's 2009 Treasury Management Bulletin suggested:
"In order to enshrine best practice it is suggested that authorities report formally on treasury management activities at least twice a year and preferably quarterly."

The CIPFA Code of Practice on Treasury Management emphasises a number of key areas including the following:-

- xi. Treasury management performance and policy setting should be subject to scrutiny prior to implementation.

- 1.2 In line with the above, this report is providing information on the activities for the quarter ending 30th September 2018.

2. Economic Background and Forecasts

- 2.1 The economic background is attached at Appendix B.
- 2.2 The most recent forecast of interest rates by the Authority's advisor is as follows:

	Dec 18	Mar 19	Jun 19	Sep 19	Dec 19	Mar 20	Jun 20
Bank rate	0.75%	0.75%	0.75%	1.00%	1.00%	1.00%	1.25%
5yr PWLB	2.00%	2.10%	2.20%	2.20%	2.30%	2.30%	2.40%
10yr PWLB	2.50%	2.50%	2.60%	2.70%	2.70%	2.80%	2.90%
25yr PWLB	2.90%	3.00%	3.10%	3.10%	3.20%	3.30%	3.30%
50yr PWLB	2.70%	2.80%	2.90%	2.90%	3.00%	3.10%	3.10%

3. Treasury Management Strategy

- 3.1 The Treasury Management Strategy approved by Full Council on 8th March 2018 is at Appendix A.
- 3.2 The Authority's investment priorities under the Strategy are: -

- (a) the security of capital and
- (b) the liquidity of its investments.

3.3 The Authority aims to achieve the optimum return on its investments commensurate with proper levels of security and liquidity. The risk appetite has been low in order to give priority to security of investments.

4. **Current Investments**

4.1 The current investment market is difficult in respect of earning the level of interest rates commonly seen in previous years as rates are very low and in line with the 0.75% Bank Rate.

4.2 The Authority had no investments at 30th September 2018.

Invested with:	Principal £000's	Interest Rate	Start Date	Maturity Date
Total	0			

4.3 Higher return rates are difficult to achieve as the Authority is not in a position to invest its cash for more than a short period of time.

4.4 Redemption Penalties:
There are no current fixed investments to redeem.

4.5 Investment returns in future years:
Our advisors' current suggested earning rates for investments for budgeting purposes are as follows:-

2018/19	0.75%
2019/20	1.00%

These are based on investments for up to three months duration.

5. **Credit Rating Changes**

5.1 There have been no credit rating changes relevant to this Authority's position during the last quarter.

5.2 The credit rating list for end of September is attached as a separate file to this report.

6. **Borrowing / Re-scheduling**

6.1 Effective management of the Authority's debt is essential to ensure that the impact of interest payable is minimised against our revenue accounts whilst maintaining prudent borrowing policies.

6.2 The Authority's Capital Position:

The Council's underlying need to borrow for capital expenditure is termed the Capital Financing Requirement (CFR). This figure is a gauge of the Council's indebtedness. The CFR results from the capital activity of the Council and resources used to pay for the capital spend. It represents the current year's unfinanced capital expenditure and prior years' net or unfinanced capital expenditure which has not yet been paid for by revenue or other resources.

Part of the Council's treasury activities is to address the funding requirements for this borrowing need. Depending on the capital expenditure programme, the treasury service organises the Council's cash position to ensure that sufficient cash is available to meet the capital plans and cash flow requirements. This may be sourced through external borrowing or utilising temporary cash resources within the Council.

Net external borrowing (borrowings less investments) should not, except in the short term, exceed the total of CFR in the preceding year plus the estimates of any additional CFR for the current year and next two financial years. This allows some flexibility for limited early borrowing for future years.

Original CFR Position:

	As at 31.03.18 Actual	2018/19 Original Estimate	2019/20 Original Estimate	2020/21 Original Estimate
	£M	£M	£M	£M
Capital Financing Requirement	318,036	382,916	416,618	434,710

Updated CFR position as at 30.09.18:

	As at 31.03.18 Actual	2018/19 Current Estimate	2019/20 Current Estimate	2020/21 Current Estimate
	£M	£M	£M	£M
Capital Financing Requirement	324,480	362,099	411,690	456,454

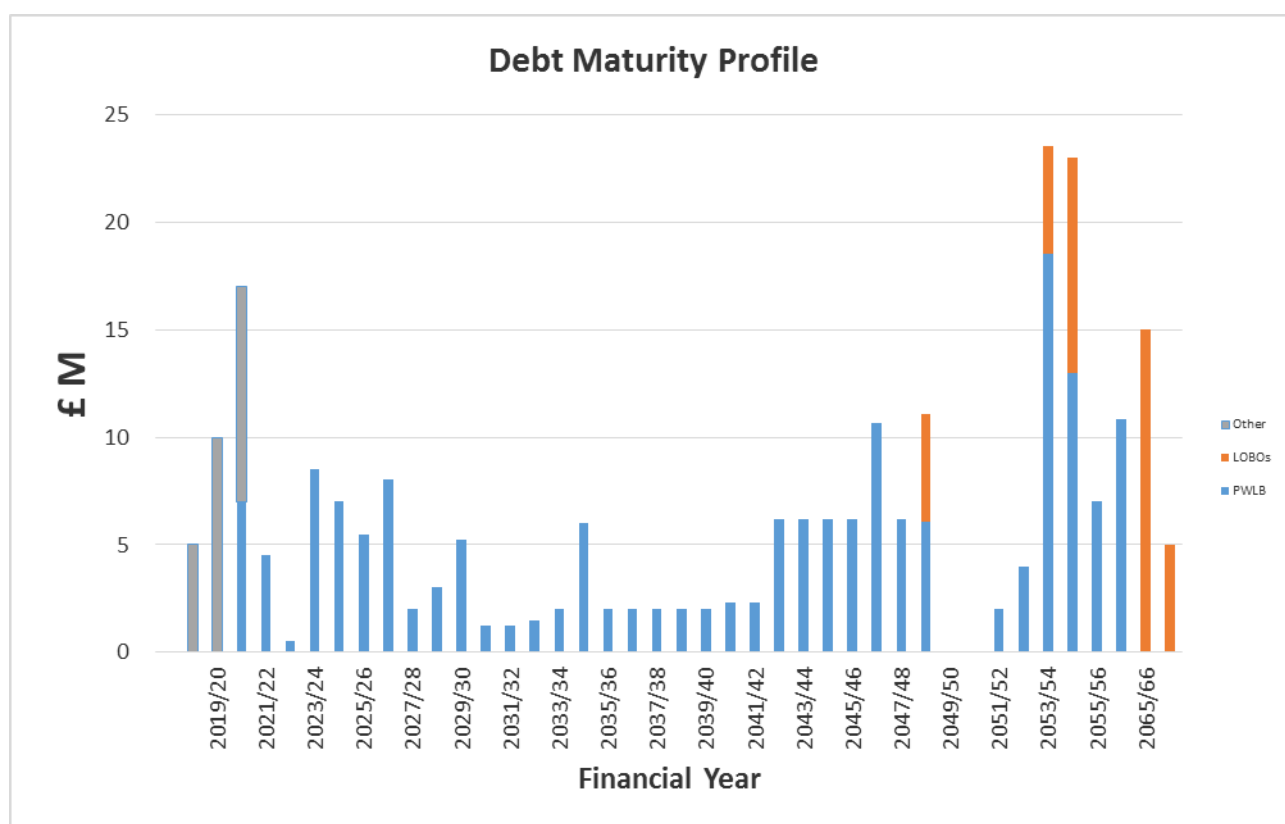
- 6.3 The Authority had outstanding long-term external debt of £251.4M at 31st March 2018. In relation to the CFR figure for 31st March 2018, this equated to the Authority being under borrowed by £73.1M. This is a prudent and cost effective approach in the current economic climate. However, members will be aware that internal borrowing is only a temporary situation and officers have advised that, based on capital estimates, it will be necessary for the Authority to borrow at stages over the next few years. In line with this, £10M of longer-term borrowing has taken place in the current financial year. This was a prudent approach to ensure some borrowing takes place whilst interest rates are at their low levels as opposed to borrowing at a future date at increased rates.

6.4 Capital Budget/Spend per efinancials:

Capital:	Approved Budget £	Working Budget £	Actual Capital Spend (not including commitments) £	%age spend
	85,725,189			
June		124,856,235	6,518,210	5.22%
Sept		126,377,477	25,547,244	20.2%

The financing of the approved capital budget included £17.9M of Prudential borrowing in total.

6.5 Debt Maturity Profile as at 30.09.18:



6.6 Rescheduling:

The Public Works Loans Board released a circular regarding rates on 20th October 2010. As a result of this, rates immediately increased by 0.87-0.88 basis points across the board. The overall impact of this circular was that it is far more difficult for authorities to reschedule debt. PWLB interest rates in the last quarter have not been conducive towards any rescheduling.

7. Prudential Indicators

7.1 All TM Prudential Indicators were complied with in the quarter ending 30th September 2018.

8. VAT

8.1 The Technical Section of Finance act as the authority's VAT section. VAT can pose a risk to the authority hence the TM has been asked to include VAT information in these quarterly reports.

8.2 The monthly VAT returns were submitted within the required deadlines during the quarter ending 30th September 2018.

8.3 Key Performance Indicators:

The VAT KPI's for 2018/19 are attached at Appendix C.

Proposal

It is proposed that the Treasury Management quarterly report is received.

Statutory Officers

The Head of Financial Services (acting s151 officer) notes the content of the report and supports the recommendation.

The Solicitor to the Council (Monitoring Officer) has made the following comment: "I have nothing to add to the report".

Future Status of the Report

Not applicable

Recommendation:		Reason for Recommendation:	
That the Treasury Management Quarterly Report be received		To ensure Cabinet remains informed about current Treasury Management performance	
Relevant Policy (ies):		Treasury Management Policy	
Within Policy:	Y	Within Budget:	N/A
Person(s) To Implement Decision:		N/A	
Date By When Decision To Be Implemented:		N/A	
Contact Officer Name:	Tel:	Fax:	Email:
Ann Owen	01597 826327	01597 826290	ann.owen@powys.gov.uk

Background Papers used to prepare Report:

CIPFA Code of Practice on Treasury Management and Cross Sectoral Guidance Notes
Treasury Management Policy Statement
Advisors' Information
WAG Guidance on Local Government Investments 2010
PWLB circulars

Appendix A:

Approved Treasury Management Strategy 2018/19:

7.5 “High” credit quality:

7.5.1 It is proposed that the Authority continue with the following in respect of defining a “high” credit quality. If a rating is not available from any of the rating agencies then the available ratings will be used. Members will note that this proposal excludes investments with some banks off the advisors’ suggested list:-

Long Term Ratings (in respect of long-term investments):

Permitted Fitch Ratings	Permitted Moodys Ratings	Permitted S&P Ratings
AAA	Aaa	AAA
AA+	Aa1	AA+
AA	Aa2	AA
AA-	Aa3	AA-

Short Term Ratings (in respect of short-term investments):

Permitted Fitch Ratings	Permitted Moodys Ratings	Permitted S&P Ratings
F1+	N/A	A-1+
F1	P-1	A-1

7.6 Country limits:

7.6.1 It is proposed that the Authority will use approved counterparties from the UK and approved counterparties from other countries with the following sovereign credit ratings:-

Permitted Fitch Ratings	Permitted Moodys Ratings	Permitted S&P Ratings
AAA	Aaa	AAA

Country	Maximum Investment per Country	Credit Rating/Other Assessment of Risk
AAA countries	£20M (held in call accounts)	As per rating list
UK	No Maximum Investment	As per rating list

7.7 *Group/Institutions - Counterparty Criteria/Limits:*

Specified Investments:

Institution	Maximum Investment per Group/Institution £M	Maximum Length	Credit Rating/Other Assessment of Risk
UK Banks	20 (a maximum £10M to be held in fixed term investments)	Up to 364 days	As per Link's matrices and the Authority's definition of a high credit rating
Foreign Banks	5	Up to 364 days	As per Link's matrices and the Authority's definition of a high credit rating
Other Local Authorities	25	Up to 364 days	N/A

Non-Specified Investments:

Institution	Maximum Investment per Group/Institution £M	Maximum Length	Credit Rating/Other Assessment of Risk
UK Banks	10 (£5M limit with any one institution)	Up to 2 years	As per Link's matrices and the Authority's definition of a high credit rating
Foreign Banks	2	Up to 2 years	As per Link's matrices and the Authority's definition of a high credit rating
Money Market Funds (max. of 5)	10	N/A	All are AAA rated
Other Local Authorities	10	Up to 5 years	N/A
<i>Note: Limits for Specified and Non-Specified are combined limits. The maximum limit will also apply to a banking group as a whole.</i>			

Appendix B

Economic Background

UK

The Q2 pick up in GDP was put down to a catch up from the weather effect on Q1, but driven primarily by inventories rebuilding which is not a basis of ongoing, sustained economic growth. Q2 retail sales volumes did pick up but consumer spending growth was more modest, which indicates that spending away from the high street moderated. Business investment was an area of positivity with firms not overly concerned about Brexit. Surveys of firms' investment intentions point to this strength being maintained going forward. This suggests that the bounce in growth in the last quarter has held up in early Q3.

July retail sales volumes were strong again. However, demand for borrowing eased and the outlook for consumption growth looks a little less rosy. Furthermore, the British Retail Consortium's forward looking indices are suggestive of high street sales slowing. The August Gfk consumer confidence survey, however, saw a rise in the major purchases balance indicating that spending will not be curbed in the short term. Headline wage growth has slowed but the expectation is that real wages should turn upwards.

Net trade weighed on Q2 GDP, largely down to export volumes falling at a faster rate than for imports. There has been a slowing in EU/global trade but the UK export performance has been particularly bad. Surveys suggest a recovery but the most recent manufacturing PM Index saw a sharp fall in the export orders balance. Improvements in the trade balance and increased investment income pulled the current account deficit down to 3.4% GDP in Q1. However, that improvement has now been reversed in Q2 based on a larger goods deficit the size of about 1% of GDP.

There was a modest increase in the number of workers to June which slowed the annual rate of employment growth. On the other hand, the similar decline in unemployment, along with a dip in participation, was sufficient to pull the unemployment rate down to 4.0%. Job switching is back to pre-crisis levels but the flow from unemployment to employment has slowed. Though the supply of available workers is dwindling, employment growth is expected to be maintained. Earnings are not reflective of the battle for workers so far, with bonus payments weaker and annual income growth, net of bonus, also softening. Industry reports indicate that acceleration is potentially on the cards.

CPI rose for the first time in eight months in July, rising to 2.5% driven by recreation and culture. Nevertheless, given that this is a volatile sector, this could be reversed in August. Rising oil prices also had an impact and fuel and energy prices will underpin inflation in the coming months. Supply side price pressures have been building on the oil price move. Analysts believe that CPI will return to below the 2% target as the upside effect of Sterling weakness dissipates.

VAT - Key Performance Indicators:

Creditor Invoices

VAT return for	No of high value Creditor invoices checked	No of Creditor invoices highlighted as requiring "proper" document for VAT recovery	%age of creditor invoices checked requiring "proper" document for VAT recovery
Apr-18	130	17	13.08%
May-18	108	5	4.63%
Jun-18	169	11	6.51%
Jul-18	222	11	4.95%
Aug-18	220	18	8.18%

Cash Receipting Entries

VAT return for	No of cash receipting entries checked by formula per the ledger account code used	No of cash receipting entries needing follow up check	%age of cash receipting entries needing follow up check
Apr-18	907	15	1.65%
May-18	810	8	0.99%
Jun-18	848	6	0.71%
Jul-19	499	10	2.00%
Aug-18	882	34	3.85%

Debtor Invoices

VAT return for	No of Debtor invoices checked (value >£5k)	No of checked debtor invoices with incorrect VAT code used	%age of debtor invoices with incorrect VAT code
Apr-18	38	7	18.42%
May-18	50	4	8.00%
Jun-18	40	8	20.00%
Jul-18	57	11	19.30%
Aug-18	72	11	15.28%

Purchase Cards

VAT return for	No of transactions for previous month for which paperwork requested for checking	No of Amazon invoices included in check	Resolvable errors discovered	No of transactions for which no response received within timescale	Value of VAT potentially claimable but recharged to budget due to non-response	No of transactions where VAT claimed incorrectly	%age of transactions available to be checked where VAT was claimed incorrectly	Value of VAT incorrectly claimed hence recharged to budget
Apr-18	260	13	12	6	£1,395.07	6	2.36%	£674.06
May-18	240	10	20	11	£1,127.77	15	6.55%	£563.64
Jun-18	440	15	14	9	£2,055.92	11	2.55%	£596.35
Jul-18	190	8	15	11	£2,003.66	8	4.47%	£300.39
Aug-18	107	4	5	5	£575.32	2	1.96%	£18.16

Voluntary Declarations

Per HMRC regulations, any vat errors discovered can be adjusted in the current VAT account if they are:

- below the reporting threshold (>£10,000 or up to 1% of the VAT return Box 6 figure up to a maximum of £50,000)
- not deliberate
- for an accounting period that ended less than 4 years ago.

Any errors that do not meet these conditions have to be reported to HM Revenue and Customs and are referred to as voluntary declarations.

There are no voluntary declarations to date in 2018/19.

Chargebacks to service areas

As a result of the monthly Creditor invoice checking, Treasury Management produce a list of Creditor payments for which a “proper” vat document has not been received. Any VAT amounts on these invoices are held in the vat account and are not claimed until such time as a valid invoice is received. The relevant budget holder is emailed the details and asked to source a correct document. Failure to do this results in the relevant budget being charged with the vat amount that cannot be reclaimed due to the lack of a proper document.

Further to the above, the upload of appropriate documents to the Barclaycard purchase card system to enable vat recovery was made mandatory in September 2017 as a result of the lack of response from service areas/establishments to provide documents when requested. Where no document has been uploaded, any VAT amount input against the transaction is charged to the service area.

The total amount charged back in 2018/19 to date is £38,414.91. The breakdown of this is as follows:-

Reason	£
Not a tax invoice	1,348.00
Not a tax invoice – no response from service area	7,974.77
PCC not the named customer	2,335.29
No VAT registration number on invoice	93.20
No invoice uploaded to Barclaycard system	17,155.08
No evidence supplied to enable vat recovery	5,828.66
Foreign VAT (not recoverable)	309.58
No VAT amount on invoice in first place	2,187.28
Supplier not vat registered	59.95
Supply not to PCC	675.96
Overaccounting for VAT	447.14

Of the above, £34,735.00 was potentially recoverable. The majority of these errors are in respect of purchase card transactions and 44% of these errors were schools.

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Deddf Llywodraeth Leol 1972.

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Scrutiny date	Scrutiny Committee	Item	New Cttee?	Cab/Mgmt Team Date	Cab Date
Fri 02/11/18	LSE	HAMP (deferred from Aug) cancelled by service		14/11/2018	28/11/2018
				11/12/2018	15/01/2019
Thur 08/11/18	HCH	Social Care Perf Report (Sept 2018) WHQS WAO Housing Inspection (confirmed)		04/12/2018	18/12/2018
Fri 09/11/18 (possibly won't run)	LSE	date to be used for education briefing School Org/Post 16			
Tue 13/11/18	Joint Chairs and Vice-Chairs	CIP Performance Reports			28/11/2018
Fri 16/11/2018	Audit	Corp Tracker, Risk Register, AGS Improvement Plans (1) - Topic TBA			
November	FSP	Budget			
Wed 21/11/18	LSE (invite audit reps)	Funding formula review			
Thur 22/11/18	HCH	Review of Daytime Activities OP Improvement Plans (2) - Topic TBA		04/12/2018	18/12/2018
Mon 10/12/18	HCH	Crime and Disorder Social Care Perf Reports (October) Update on Bannau/Camlas			
Tues 11/12/18	Joint Chairs and Vice-Chairs	Vision 2025: Our CIP Quarter 2 2018-19 Performance Report Vision 2025: Our CIP – 'Where are we now – Analysis document' (Overview presented to Joint Chairs for comment)			04/12/2018
Thur 13/12/18	LSE	ALN Review		11/12/2018	15/01/2019
Wed 19/12/18	FSP	Budget			
2019					
Wed 09/01/19	Audit	Workforce Strategy and Plan	ERCC		

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Tue 15/01/19	Joint Chairs			
Wed 16/01/19	HCH	Update on Virtual Ward and Integrated Team CIW update on Inspection - Children's Services Changes to Housing Allocation Scheme	HC HC ERCC	
Fri 18/01/19	LSE	Categorisation of schools (increase in green/yellow) School Major Improvement Programme	LSC LSC	
Thur 31/01/19	PSB	Update on integrated social and health care staffing increase Update on Integrated disability service	HC HC	
Wed 06/02/19	HCH	Leaving the Care Service Review of progress on foster carers strategy	HC HC	
Fri 08/02/19	LSE	ERW Standards, attendance and exclusion verified	LSC LSC	
Thurs 14/02/19	Audit	Corporate Support Services remodel Workforce Strategy and Plan	ERCC ERCC	
Mon 18/02/19	Joint Chairs			
Wed 27/02/19	HCH	Early Help/Edge of Care Participation and Voice	HC HC	
Fri 01/03/19	LSE	Youth Structure Review Home to School Transport, post 16 and Welsh Medium Post 16 Review	LSC LSC LSC	
Tue 19/03/19	Joint Chairs	DRAFT of Vision 2025: Our CIP (UPDATE 2019/20 – Proposed changes to CIP for 2019/20)	ERCC	
Mon 25/03/19	Audit	Gender Pay Report	ERCC	
Wed 03/04/19	HCH	Housing Association Development Children Looked After Permanence	ERCC HC	
Fri 05/04/19	LSE	Support for children and families - early years Public Toilets Strategy BESD and PRU provision	LSC ERCC LSC	

		Specialist centre provision	LSC		
Fri 12/04/19	Audit	Engagement and Communications Strategy TM Q4	ERCC Audit		
Mon 15/04/19	Joint Chairs				
Thurs 25/04/19	HCH	Improve housing choice availability incl extra care Supported housing (email round update to Members) Impact of Roll Out of Universal Credit on HRA	ERCC ERCC ERCC		
Fri 26/04/19	LSE	Proportion of revenue spend increase 2% 18/19 Review marketing opportunities and programme Check progress against removing barriers to employment	ERCC ERCC ERCC		
		Schools causing concern	LSC		
Mon 29/04/19	PSB	Developing integrated commissioning with PTHB - care homes	HC		
9/05/19	Audit	Annual Employment Monitoring Report	ERCC		
14/05/2019	Joint Chairs	Annual Governance Statement Final Vision 2025: Our CIP 2019/20 Update and Annual Report 2018/19	ERCC		
22/05/19	HCH	Community Hubs Local Housing Market Assessment	HC ERCC		
24/05/2019	LSE	School Balances	LSC		
10/06/19	Audit (seminar)	Draft Statement of Accounts Annual Governance Statement	Audit Audit		
TBC	FSP	MTFS	FSP		
12/06/2019	HCH	HRA New Build Programme Closer to Home	ERCC HC		
14/06/2019	LSE				
17/06/2019	Joint Chairs	Strategic Equality Plan - End of Year	ERCC		

03/07/2019	HCH	Community Transport service - progress Placement Sufficiency	HC HC	
05/07/2019	LSE			
08/07/2019	Joint Chairs	Vision 2025: Our CIP Quarter 4 2018-19 Performance Report	ERCC	18/06/2019
15/07/2019	Audit	TM Review and Q1	Audit	
18/07/2019	PSB	Annual Report Wellbeing Plan	PSB	
19/08/2019	HCH	Tenants Satisfaction Survey	ERCC	
23/08/2019	LSE	Inspection outcomes	LSC	
30/08/2018	Audit Seminar	SoA	Audit	
06/09/2019	Audit Committee	Final Statement of Accounts Annual Governance Statement	Audit Audit	
09/09/2019	HCH			
10/09/2019	Joint Chairs			
11/09/2019 (pm)	LSE			
13/09/2019	Audit	Final Statement of Accounts Annual Governance Statement	Audit Audit	
01/10/2019	PSB			
09/10/2019	HCH	HRA Asset Management Strategy	ERCC	
11/10/2019	LSE	School Balances	LSC	
14/10/2019	Joint chairs			
15/10/2019	Audit			
31/10/2019	HCH			
01/11/2019	LSE	Standards, attendance, exclusions provisional Early years standards and provision	LSC LSC	
11/11/2019	Audit			

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18/11/2019	Joint Chairs			
20/11/2019	HCH			
22/11/2019	LSE			
11/12/2019	HCH			
13/12/2019	LSE			
16/12/2019	Joint Chairs			
19/12/2019	Audit			
2020				
Q1 2020	LSE	Proportion of revenue spend increase 2% 19/20 Assess effectiveness of marketing programme Check inward investment strategy and action plan	ERCC ERCC ERCC	
	HCH			
	Audit			
	Joint Chairs			
Q2 2020	LSE	Increase % of pupils assessed in Welsh in Year 2	LSC	
	HCH			
	Audit			

	Joint Chairs				
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