

# Annual Governance Statement

## Section 1. Executive Summary

This Annual Governance Statement (AGS) provides an account of the processes, systems and records the council has in place to demonstrate effectiveness of its governance arrangements. It principally covers the period April 2018 to March 2019. However during the period to September 2019, when the accounts are signed, it is updated.

Powys County Council adopted a system of corporate governance in June 2008, which is consistent with the seven principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) Framework Delivering Good Governance in Local Government (2016 Edition). This statement is structured around the seven core principles, which are set out in Section 3, and gives an account of how the council has discharged its responsibilities during 2018-19 as well recommendations for development.

Based on the evidence set out in this annual governance statement, we consider the level of assurance to be Partial. However, the Council has undertaken a series of improvements which has raised standards of governance, and will continue to do so, with the aim of raising the assurance level at least to Reasonable.

Assurance levels for annual opinion:

<b>Substantial</b>	▲ ★ ★ ★	We are able to offer substantial assurance that the council's arrangements adequately reflect the principles of good governance as indicated in the CIPFA Governance Framework. Processes are in place and operating effectively and risks to effective governance are well managed.
<b>Reasonable</b>	▲ ★ ★ ★	We are able to offer reasonable assurance that the council's arrangements adequately reflect the principles of good governance as indicated in the CIPFA Governance Framework. Generally, risks are well managed but some processes could be improved.
<b>Partial</b>	▲ ★ ★ ★	We are able to offer partial assurance that the council's arrangements adequately reflect the principles of good governance. Some key risks are not well managed and processes require the introduction or improvement of internal controls to ensure effective governance.
<b>None</b>	▲ ★ ★ ★	We are not able to offer any assurance. The council's arrangements were found to be inadequately controlled. Risks are not well managed and processes



require the introduction or improvement of internal controls to ensure effective governance.

## Section 2. Introduction

### 2.1 Ensuring Good Governance

Powys County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards; that public money is safeguarded and properly accounted for; and is used economically, efficiently and effectively. Powys County Council also has a duty under the Local Government (Wales) Measure 2009 to make arrangements to secure continuous improvement in the way in which its functions are exercised.

In discharging this overall responsibility, Powys County Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

This Annual Governance Statement will explain how Powys County Council has complied with the code.

Powys County Council is the Administering Authority for the Powys Pension Fund (the Pension Fund). The governance arrangements detailed in this Annual Governance Statement apply to the council's responsibilities to the Pension Fund. There are further specific requirements for the Pension Fund which are:

- The Investment Strategy Statement
- Funding Strategy Statement
- A full Actuarial Valuation to be carried out every third year

### 2.2 The Governance Framework

Powys County Council's governance framework comprises the systems, processes, cultures and values, by which the council is directed and controlled and through which it engages, leads and is accountable to residents and communities. It enables the council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of outcome-focused and cost-effective services.

The system of internal control is a significant part of the framework and is designed to manage risk at a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Powys County Council's policies, aims and objectives. In addition, it assists in evaluating the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The following sections summarise the governance framework and the system of internal control, which has been in place in Powys County Council for the year ended 31 March 2019. In addition, the council's constitution can be found at: [Link to Council Constitution](#)

## Section 3. The Core Principles

### 3.1 Core Principle A

*Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.*

How we do this:

#### **Our Values**

The council places a high value on upholding the highest standards in public office for both Members and Officers.

Creating a council of the future that is driven by the right culture and behaviours is important. The council wants to deliver high performance and value for communities by listening to, and working with, the public as well as private, voluntary and community sectors.

The council has a set of values that underpin all the work of the council and guide the behaviours that are expected of everyone engaged in our work, or working with us. Our values are embedded into staff appraisals. Awareness of the values are tested out by means of the Council's staff survey conducted every two years.

<b>Professional</b>	Whatever role we play in the council, we act with professionalism and integrity
<b>Positive</b>	We take a proactive attitude in all we do
<b>Progressive</b>	We take a proactive and responsible approach to planning for the future
<b>Open</b>	We keep each other informed, share knowledge and act with honesty and integrity
<b>Collaborative</b>	We work constructively and willingly on joint initiatives

These values are detailed in Vision 2025 – the Corporate Improvement Plan (CIP) 2018/2023. Which can be found at: [Link to Corporate Improvement Plan](#)

#### **Members' Code of Conduct / Standards Committee**

For elected Members, the council has adopted the Model Code of Conduct for County Councils in Wales, which came into force on 1 April, 2016. Conduct of Members is monitored by the Public Services Ombudsman and the council's Standards Committee. The council has adopted other protocols for elected Members such as one relating to gifts and hospitality and in respect of Planning Applications / Matters. Mandatory training for Members in relation to the Code of Conduct was undertaken following the election in 2017. The council, following the recommendation of the Public Services Ombudsman for Wales, has adopted a

Local Resolution Process whereby low level complaints between Members (or between officers and Members) can be resolved locally rather than being referred to the Public Services Ombudsman for Wales.

The Standards Committee is active in trying to assist Members, either individually or collectively, in taking part in discussions where they might otherwise be debarred from taking part by the Code of Conduct by the granting of individual or general dispensations. By this means, the Standards Committee seeks to ensure that the representative role of Members is protected as well as protecting the council's decision making processes from being brought into disrepute.

The Standards Committee will also monitor attendances at Mandatory Member Development Sessions to ensure that Members complete the Mandatory Training.

The Standards Committee monitors the attendances of Members at committees. Failure to comply with the 60% attendance requirement will lead to the Member having to account for their absences to the Committee.

### **Officers' Code of Conduct**

For officers, the council follows the statutory Code of Conduct. Conduct and behaviour is the responsibility of the individual officer and a breach may constitute a disciplinary matter. In addition, the council has within its Constitution a protocol for Member and Officers relations as well as relationships between officers and political groups.

### **Fraud / Corruption and Whistleblowing**

The council has an Anti-Fraud and Anti-Corruption Strategy and a Whistle Blowing Policy, which allows matters of concern to be raised and sets out how they will be investigated.

### **Audit Committee**

The Audit Committee is responsible for examining, approving and reviewing the adequacy of risk assessment, risk management and internal controls, including compliance.

### **Complaints and Compliments**

The council has a formal compliments and complaints procedure that enables complaints to be escalated and investigated independently of the service concerned.

[Link to Complaints Policy](#)

### **Information Governance**

Powys County Council continues to develop its information governance maturity working to its agreed framework, to initiate, develop, and monitor policies and practices in relation to information security, management, assurance and risk, in order to improve and ensure on-going compliance with relevant information legislation and standards.

The council has robust information personal data breach reporting and management processes in place, which ensures swift containment action, enables informed identification of information risks and mitigation, and supports regulatory reporting requirements.

The council continues to provide those who choose to exercise their right of access to information held by the council, or who choose to exercise their data protection rights with an effective and professional service. Further reporting has been developed to not only identify timeline compliance for requests for information, but also includes disclosure and exemption data, indicating the extent of disclosure of information to the public.

The training of staff in the basics of data protection and It and information security continues to be an important reported measure in the council's information assurance design. By April 2019, the Council had achieved an 86.33% compliance rate. There is also a programme of refresher training available to staff.

Powys County Council continues to progress its information management, assurance and governance policies, procedures, and practices. In addition, the Corporate Governance Information Group comprising of the Senior Information Risk Owner (SIRO) and Directors developed appropriate planning and response strategies to the implementation of the General Data Protection Regulations and the UK Data Protection Act 2018.

The SIRO receives an annual Information Governance Report.

#### Review of effectiveness:

##### **Standards Committee**

The Standards Committee undertakes monitoring of attendances of Members at mandatory training. Member's mandatory development sessions commenced in February 2018, and monitoring was reported in October, 2018. Initially by July 2018, 13 Members had not completed the development. Following the July 2018 training only three Members remained having not completed the Mandatory Treasury Management Development during July 2017 to July 2018. The three Members were advised by the committee that they were required to attend the next session in January 2019. Should they fail to attend they would be required to provide a verbal explanation to the Standards Committee and could face sanctions in accordance with the council's policy. As a result of this action all 73 Members completed this Mandatory Development.

In relation to the monitoring of attendances at committees, there are few Members who fall beneath the 60% requirement, and those that do have valid reasons such as a period of illness. In 2018/19 no Members were reported to the Standards Committee for a failure to achieve the minimum level of attendance. Mandatory Code of Conduct training for Members – all Members received training on the Code of Conduct including any new Members elected or appointed following the election in 2017. A refresher session will be held during 2019-20.

The Standards Committee is informed at meetings of the numbers of referrals to the Ombudsman. There were seven complaints against Members referred to the Public Services Ombudsman for Wales in 2018 /19 (April to March) of which three are being investigated. Of those remaining, 2 were closed following receipt by the Ombudsman's Office (i.e. no evidence that there was a suggested breach of the Code of Conduct) and 2 are awaiting a decision as to whether the Ombudsman is to investigate or not.

### **Local Resolution Process**

There have been three complaints dealt with under this process in 2018/19. 2 issues were resolved and 1 was not resolved.

### **Whistleblowing Policy**

There has been one referral in the year under the Whistle Blowing Policy. This has yet to be completed.

### **Information Governance**

There have been 176 information security incidents reported throughout the year, with 25, considered appropriate for notification to the Information Commissioner. No further regulatory action was considered necessary in these 25 cases. The changes in data protection legislation during the year changed reporting requirements.

The General Data Protection Regulations came into force in May 2018, with the UK's Data Protection Act 2018. The council had previously identified those components of the new data protection legislation to be identified and timescales for doing so. The council's plan had also been the subject of scrutiny by a Scrutiny Committee working group, as well as an internal audit examination.

### **Our Values**

The results from our 2018 Staff Engagement Survey are outlined below, which give an insight into how staff are embracing the council's values:

- 62% are proud to work for the council (also 62% in 2016) and 65% are proud of the work that they do
- 73% feel confident making decisions without having to seek permission from their line manager
- 88% will go that extra mile to get the job done (compared to 85% in 2016)
- 43% don't feel involved in discussions around changes in their service area (44.5% in 2016)

### **Recommendations for development:**

The following objective are included in Vision 2025: Our Corporate Improvement Plan (2019 Update) or Services Improvement Plans:

Objective	Responsible Service
We will continue to embed the council's values and guiding principles (5 ways of working) into strategic and service planning and staff appraisals to encourage staff to think differently, act differently and therefore deliver differently.	All Services
Improve the response rate to requests made under data protection legislation (including GDPR / SARs)	Digital and Communications Service
Ensure customer data is safe	Digital and Communications Service
Improve IT governance processes to support digital transformation agenda	Digital and Communications Service

## 3.2 Core Principle B

### *Ensuring openness and comprehensive stakeholder engagement*

#### How we do this:

##### **Engagement and consultation**

Powys County Council and a number of its PSB partners strive to work to the National Principles for Public Engagement in Wales to ensure conversations are meaningful, timely and resourced. Both the Public Service Board (PSB) and the council have also signed up to these principles. In addition, the former Joint Chairs and Vice-Chairs of the Scrutiny Committees have formally signed up to the national principles for any scrutiny consultations undertaken in future.

We believe all our citizens, partners and businesses should be engaged and consulted so their voice influences future decisions and service provision. We continue to engage citizens in a number of ways using both traditional methods like surveys, focus groups and meetings and are working to develop the use of digital tools such as online platforms, surveys and social media channels. The council has a corporate Facebook, Twitter, Instagram and Flickr account and its own You-tube channel where films are posted. LinkedIn and Facebook is used to advertise job vacancies. The Cabinet, and new Chief Executive have their own Twitter account, as well as a number of other services to engage and inform residents about the work we do and engage in conversations directly with our citizens.

Plans are being progressed to move to a digital Citizen's Panel for the county which will operate through the Council's 'My Account' platform. Residents will be able to log into their account and select to join the Panel. They will then receive alerts when consultations go live.

## **Committee Agendas and Reports**

The council publishes its agendas, reports and minutes of the council, the Cabinet and committees on its public website. In addition, the increasing use of webcasting ensures that the public have a greater ability to access meetings. The council will also continue to respond to requests for factual information regarding services through a mix of channels including our website, local media and social media.

## **Members' Annual Reports**

All Council Members produce an Annual Report on their activities which is published on the council's public website. Some Members only provide information regarding their attendances at meetings and training sessions whilst others provide additional information about activities undertaken in their electoral division and attending outside bodies as representatives of the council.

## **Public Participation at Council Meetings**

The council has implemented a Public Participation Process where Members of the public can submit a written question to a Cabinet Member or Chairs of Committees (excluding regulatory committees) which are considered at meetings of the council. The questioner is also allowed to attend the council meeting and ask one supplementary question following the response, or submit a supplementary question in writing. This has resulted in 8 questions in 2018/19.

### **Review of effectiveness:**

#### **Public Participation Process**

The council had eight questions asked during 2018/19. Of those 4 people attended the council meeting where they were able to ask a supplementary question if they wished to do so. All the questions were to Cabinet Members.

#### **Engagement and Consultation**

The council regularly engages with, and consults residents when considering new policies and changes to the services it delivers across the county.

Powys County Council recognises the importance of early engagement and dialogue to shape policy and services alongside the more traditional consultation type exercises whereby residents are asked to comment on a draft strategy or preferred options to help inform decisions.

During 2018/19 a number of engagement and consultation exercises took place in support of both Vision 2025 and requirements set out in statute.

#### **Vision 2025 Consultation Programme**

#### **Economy:**

Regional Economic Development Action Plan Survey – a regional survey was developed to establish the most important support measures that businesses within Powys and Ceredigion felt would help their businesses grow. 279 responses were received. Improved digital communication (superfast broadband), less business regulation and being able to recruit skilled staff were key findings.

The response: The findings will now contribute to and support the production of a regional economic development plan.

Business Breakfast Sessions – during Spring 2018 the Regeneration Team hosted a series of business breakfast sessions across the county to share the council's Procurement and Powys Pound campaign. They listened to, and answered queries/concerns raised by local businesses about bidding for Powys contracts. The response: Feedback has helped the service to consider how best to simplify and ensure smaller firms can compete for work. Evaluation forms have been analysed so as to inform future sessions. During 2018-19, council spend with local suppliers is 29.1% an increase from 27% in 2017-18.

LDP consultations - Following the conclusion of the Examination in Public of the Powys LDP and the receipt of the Inspector's Report, the Council adopted the LDP on the 17th April 2018. Feedback from interested stakeholders throughout the process shaped the final version of the plan. A follow up survey seeking feedback on the process resulted in 59 respondents. The majority had accessed the plan via the website and agreed that their representation was processed in a timely manner and they knew what would happen next. Some criticism around language used, too much information to consider and lack of feedback given on individual representations. The response: The feedback given will be used to inform future processes and reduce the use of technical language.

### **Health and Care:**

North Powys health and wellbeing - The council is working together with Powys Teaching Health Board to identify a health and wellbeing model for the north of Powys. Early conversations have been taking place – primarily with involved partners - but more detailed engagement and consultation will follow with all key stakeholders and residents to help shape the project.

Substance misuse relocation – In Welshpool, the council engaged with the local community prior to moving the town's substance misuse service to a town centre location. The response : This has enabled the smooth transfer of services from one location to another.

### **Learning and skills:**

Transport consultation - A consultation on home to school and college transport was carried out in the summer of 2018. One of the key points in the proposed revised policy was consideration of charging students for travel to post 16 education – sixth

forms and colleges. The response: There was significant opposition to this and Cabinet voted to carry out more research into the potential impact of such charging before taking this further. Some 400 people took part in the consultation.

School formula - A consultation to create a revised funding formula for schools in Powys was carried out with the school communities to look at the framework for allocating funding to schools. The response: The feedback and analysis of the responses led to a new formula being successfully implemented and allocations to all schools have been completed.

Llanidloes All through School survey – The two schools in Llanidloes – the high school and the primary school – approached the county council with a view to seeking Federation status for the two establishments. The council supported this move in principle and helped the two governing bodies run a consultation process – online and offline – on a proposal to federate. The response: The proposal garnered widespread public support and the two governing bodies agreed at their joint-meeting of February 20, 2019 to proceed with Federation from September 2019.

Llanfyllin All through school survey - In a situation similar to Llanidloes, the two schools in Llanfyllin approached the county council with a view to seeking to form an All Through School (although not a Federation as in Llanidloes). Again, the county council supported this proposal in principle and helped the two governing bodies carry out the consultation. Some 80 responses were received to the proposal with broad support. The response: On March 12, the council agreed to the proposal and published a Statutory Notice, which is open to comment until April 17.

Llanerfyl and Banwy primary schools – The council consulted on a proposal to close Llanerfyl Church in Wales School and Banw CP School and re-open a school on the site of one of the two establishments' sites. A consultation was carried out – a mixture of drop ins and an online survey, the latter of which received 250 responses. There was a mixed reaction to the proposal with arguments for and against both sites. The response: Cabinet discussed this on March 12 2019 but deferred the decision until a date in April to consider further information.

### **Residents and communities:**

Blue Badge Survey – Following early engagement work conducted during 2017/18 a survey was promoted to capture views of blue badge holders to inform a new policy proposal. The proposal was to give all blue badge holders one hour's free parking but seek payment for additional time parked in a council car park. Blue badge holders responded to say that they can struggle to get in/out car and spaces provided, get to a ticket machine, handle coins and even walk very far. The majority of respondents wanted the status quo to continue whereby they parked for free. The proposal to pay for an hour and get an hour free was rated second choice from four options listed. The response: Although the council's preferred proposal was put

forward as part of the budget proposals, the Full Council voted to retain the status quo with blue badge holders retaining the ability to park for free in council car parks during 2019/20.

Active Travel Survey – this survey captured feedback on how frequently people walk or cycle short distances in the 11 designated Active Travel towns. 92 responses were received with residents in Brecon, Presteigne and Llandrindod in particular giving compliments regarding the ethos of active travel and requests for more collaboration and partnership working with Town and Community Councils and others (nature reserves) etc. The response: Views expressed around pavement conditions, cycle racks, safety for pedestrians will be used as evidence when submitting bids and developing future projects.

Library Adults Satisfaction – this national survey runs across all libraries in Wales for one week seeking views on satisfaction with the core service. Just under 300 responses were received. The feedback was positive overall regarding services used. Borrowing books, browsing books, magazines and reading newspapers are still some of the key reasons people go to the library alongside use of the free PCs. The response: Feedback is used by Welsh Government to calculate a Wales picture around library usage. Comments given by individuals in Powys will be used to improve customer satisfaction and some have already been used as part of consultation materials developed to engage residents about a review of all branches as they seek to find savings of £200k during 2020/21.

Welshpool Library Co-location - A review of buildings in the north of the county led to a proposal to co-locate the current library with the museum in Welshpool so as to provide employees with office space as they move out of a building that is surplus to requirements and being sold on the open market. The decision was taken to consult residents in the town about the preferred proposal although this would potentially be opposed. An online survey was sought by the service to capture views. Alternative options were also listed and residents asked to give their preferences. The response: There was opposition to the proposal to co-locate the library into the museum and some alternative options put forward. However, in giving these due regard and following discussions with the town council about their proposal, it was determined that the co-location was the best approach to enable staff to relocate into the library building and continue to provide services like housing advice, social care and trading standards to residents whilst also retaining a combined library and museum service – albeit in a smaller space. The relocation of the library into the museum building will contribute savings to the £200k target set for the service.

Rights of Way Improvement Plan – During the year an engagement exercise was undertaken to consult users and those interested in the rights of way network prior to a review and / or development of a revised ten-year plan as set out by statute. Focus groups and an online survey captured feedback which was used to produce a

draft plan. Once produced, a 12-week consultation period then followed to enable users and interested parties to comment on said plan via a comprehensive on-line survey which sought ranking and prioritisation The response: The early engagement, focus group sessions and targeted surveys helped users to feedback information which informed and shaped the first draft. The council received compliments about the consultation process followed. The final findings report was appended to the Cabinet report and the plan has now been adopted.

Public Toilet Strategy – The Welsh Government placed a duty on all local authorities to produce a strategy by May 2019. Based on research and stakeholder mapping the council conducted some targeted focus groups to engage some of the key users including mothers with young children, families with disabled children, carers and the physical disability and sensory loss group. An online form was also sent out to all known providers of toilets and a public survey launched alongside the focus groups as part of Phase I to capture additional feedback. The response: The feedback gathered around the lack of baby changing facilities and changing places for adults contributed to the actions listed in the final draft plan which is currently being consulted upon.

Green Garden Waste – Powys is one of the few local authorities that is still providing green garden waste banks in car parks across the county. Plans to introduce a paid for green garden waste service were consulted upon to capture resident feedback on costs, bin type, frequency of collections and payment options. Over 2000 residents responded. Half stated they were interested in the service and would be happy to pay between £30 and £40 a year for a kerbside collection. The response: The responses from residents have been used to establish frequency, costs and bin sizes and the service was launched in April 2019.

Newtown Active Travel bridge survey – The council had successfully bid for funding from Welsh Government under the Active Travel scheme to build a cycle/footbridge across the River Severn crossing from Pool Road to Canal Road. The council worked in partnership with Newtown and Llanllwchaiarn Town Council to engage with residents and business about how the bridge should look and also asked for ideas for possible names. An online survey was run along with two drop in sessions. The response: This feedback has fed into the design process and a name for the bridge will be decided at a later date.

#### Recommendations for development:

The following objectives are included in Vision 2025: Our Corporate Improvement Plan (2019 Update) or Services Improvement Plans:

Objective	Responsible Service
Improve the Cabinet Forward Work Programme	Legal and Democratic Services

All objectives within the Adult Services Re- Shaping Plan 2018-2023 Priority Area B: Practice, Quality and Assurance	Adult Services
We will improve the conversation with our residents with better engagement in budget consultation and debate. Providing better information and scene setting to help them understand the need for change, driven by a focus on outcomes.	Finance, Communications and Business Intelligence
We will develop tools to enable residents to be heard, and engage in ongoing communication and dialogue with our communities to inform decision making.	Digital and Communication Services
All objectives within the Children's Service Improvement Plan – 2. Partnership Working	Children's Services
Optimise the use of digital channels to engage customers and seek feedback on Council performance	Digital and Communications Service
To design and implement our digital transformation, setting the map for how the Council will take advantage of digital technologies to transform service delivery through the way we work, how we use information, support our customers, improve resident opportunities and help our businesses to compete	Digital and Communications Service
Improve access to Adult Services through timely information, advice and assistance, as well as receiving and processing enquiries appropriately and swiftly	Digital and Communications Service
Support Adult Services to improve Welsh Language Offer across health and care services to improve equity	Digital and Communications Service

### 3.3 Core Principle C

*Defining outcomes in terms of sustainable economic, social, and environmental benefits*

How we do this:

#### **Corporate Planning Cycle**

The Council has a set process in place for annually reviewing its objectives and corporate plans to ensure that they remain relevant and focussed on improving the right outcomes for residents and communities.

#### **Vision 2025: Our Corporate Improvement Plan (CIP)**

The council's long term vision and objectives for improving the economic, social, environmental and cultural well-being of Powys are set out in Vision 2025: Our Corporate Improvement Plan. The plan was approved and published in April 2018 and covers the term of the current Cabinet. Using the findings of a Well-being

Assessment and associated engagement, the council agreed to focus on four Well-being Objectives to deliver its vision, these are:

- **The Economy** - We will develop a vibrant economy
- **Health and Care** - We will lead the way in providing effective, integrated health and care in a rural environment
- **Learning and Skills** - We will strengthen learning and skills
- **Residents and Communities** - We will support our residents and communities

To help us deliver the above outward facing objectives, we also have an internal facing objective called Making it Happen, which focusses on improving communication and engagement, leadership and governance and changing how we work.

The Plan provides an important framework for engaging residents, councillors, staff and other stakeholders, such as regulators, in the vision and the council's key objectives. It sets out a series of aspirational outcomes for improving well-being for Powys residents, communities and businesses.

Our Corporate Improvement Plan shows our contribution to the strategies that we are working on with our partners. These include the Powys Public Services Board Towards 2040, and the Powys Regional Partnership Board Joint Area Plan.

The plan also shows how we are embracing the Well-being of Future Generations (Wales) Act 2015, by ensuring that our objectives contribute to the seven national well-being goals and that we are considering the five ways of working in the way we plan our services.

### **Medium Term Financial Strategy**

The MTFS is the financial strategy for Powys County Council for the period 2019 to 2024. It has been developed as part of the overall strategic planning process alongside Vision 2025: Our Corporate Improvement Plan which captures the financial, regulatory and policy drivers affecting the council and sets the direction and approach. It also incorporates the plan for delivering a balanced budget for 2019/20, and indicative budgets for the following 4 years to March 2024. This means the Council has an ongoing financial plan to enable service transformation within the funding levels available.

This financial strategy includes all Council services activity funded by the revenue budget, the Housing Revenue Account and the Capital programme. This information is presented in a 5 year budget model and a 5 year Capital Strategy Programme.

### **Strategic Equality Plan**

This plan sets out our equality objectives and action plans for making Powys a fairer place to live where people can achieve their potential, thrive and prosper. It focuses on three things: improving our services, making our organisation a better place to work, and improving the most important life outcomes for local people.

### **Service Improvement Plans**

All Council's services produce individual Service Improvement Plans to show how it will deliver continuous service improvements in line with the council's strategic vision.

Our Children's Services and Adult Services Improvement Plans were reviewed during the year in response to Care Inspectorate Wales Inspection Findings. Progress against these plans is monitored monthly by Cabinet and an Improvement and Assurance Board.

### **Integrated Impact Assessments**

As part of the corporate planning cycle, Impact Assessments are undertaken for budget proposals and significant service and policy changes to support effective decision making and ensuring compliance with respective legislation. A new Impact Assessment, which considers the requirements of the Well-being of Future Generations Act, the Equalities legislation and the Welsh Language Standards as well as the corporate objectives and risk has been implemented.

### **Budget Principles**

The Cabinet adopted a set of Budget Principles which provide a greater link between the Council's vision, the strategic plan (Corporate Improvement Plan / Vision 2025) and the use of resource. The budget principles are key in order to deliver our priorities and achieve our efficiency targets by shaping our decisions to allocate resources.

<b>Budget Principle</b>	<b>Definition</b>
Valued Services	<ul style="list-style-type: none"> <li>In future services must support the Council's outcomes. Those that don't will have to be provided by others.</li> </ul>
Supporting the Vulnerable	<ul style="list-style-type: none"> <li>Scarce resources mean we must focus on the truly vulnerable not those who have historically received support and services.</li> </ul>
Local Delivery	<ul style="list-style-type: none"> <li>Services delivered within communities by communities are more responsive and efficient.</li> </ul>
Personal Responsibility	<ul style="list-style-type: none"> <li>Nationally we must move from the entitlement culture; our population and our employees will be encouraged to take more control of their lives and take on greater responsibility.</li> </ul>
Value for Money	<ul style="list-style-type: none"> <li>The council must look for value for money in everything that it does.</li> </ul>
Improving Productivity	<ul style="list-style-type: none"> <li>Once the preserve of private enterprise productivity and performance now matters in the public sector.</li> </ul>
Supporting the Local Economy	<ul style="list-style-type: none"> <li>Whilst ensuring that we remain within procurement and local government financial legislation we will seek to spend as much of our funding within Powys if it is Value for Money to do so</li> </ul>

Budget Principle	Definition
Keeping the Authority Safe	<ul style="list-style-type: none"> <li>We will ensure non-frontline services are effective and value for money whilst recognising the key role they play ensuring the Authority uses its resources effectively.</li> </ul>

## Scrutiny

The review of Scrutiny for 2018-19 is set out in Appendix 3.

Review of effectiveness:

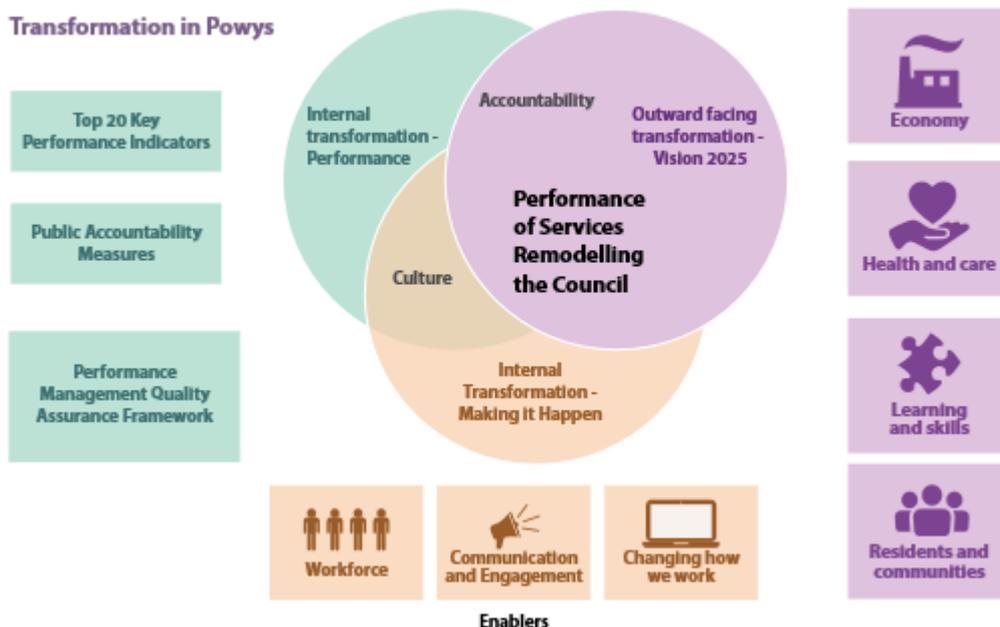
## Vision 2025: Our Corporate Improvement Plan (CIP)

In line with approval of Vision 2025: Our CIP, a governance structure was put in place to drive forward its delivery. This consisted of a series of Programme Boards who were accountable for delivering the five objectives. During 2018-19 it became evident that this governance structure was creating duplication and that there were no clear lines of accountability. Therefore, we redefined our approach to delivering Vision 2025 to ensure improved accountability and a greater focus on outcomes. This includes:

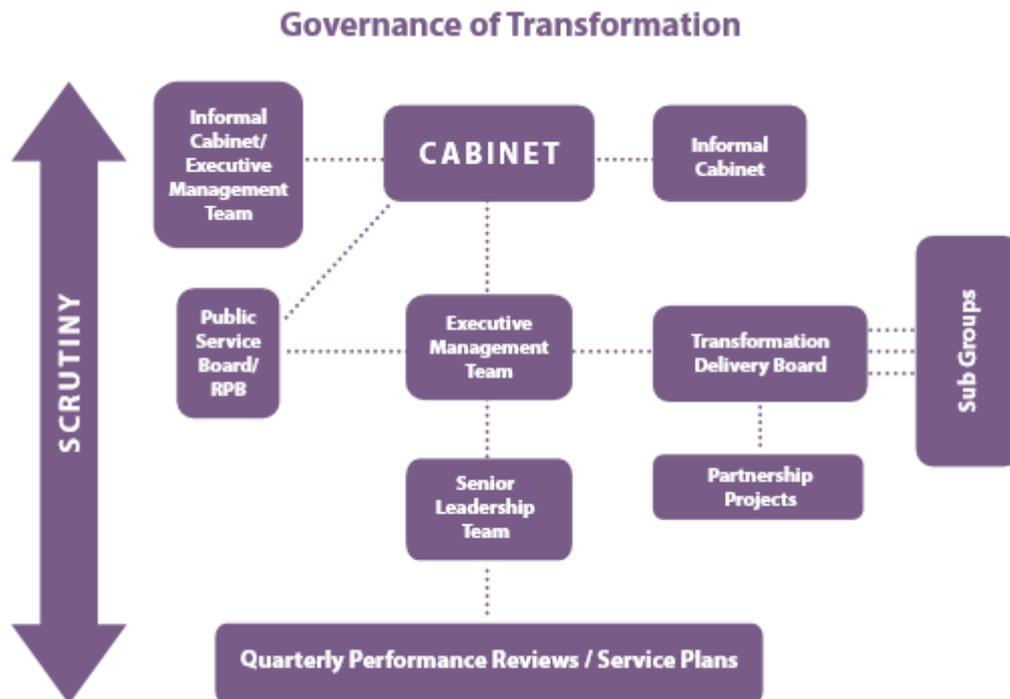
- Adopting a new strategic approach to council performance
- Changing the organisation culture and promoting positive behaviour
- Internal transformation and remodelling the council

The new approach to organisational transformation includes:

### Transformation in Powys



Governance of Vision 2025 has also been streamlined. There is now one Transformation Programme that will focus purely on significant transformational projects that need to be delivered by more than one service. Other service improvement work that will help us deliver Vision 2025, is now being managed and governed at a service level, with individual Heads of Service acting as the accountable officers.



Progress against the activities and performance measures were monitored quarterly throughout the year and reported to Executive Management Team (EMT) and Cabinet, following challenge at a series of Service Performance Review meetings.

In line with the Corporate Planning Cycle, an Annual Review of Vision 2025: Our CIP has been undertaken which analysed a range of information including corporate performance, financial position, regulator feedback, strategic risk, customer feedback and legislative duties. The review provides a corporate insight into the key strengths and weaknesses in relation to delivery of the plan, as well as identifying opportunities and threats which need to be addressed in the plan in future years. After reflecting on performance in 2018-19 and reviewing the challenges ahead, the Cabinet agreed that it would remain focussed on the current well-being objectives for 2019 onwards. However, some of the activities for delivering them would need to change. This is to ensure we focus more on transformational improvement; we think about longer term outcomes, that we listen to what our residents are telling us is important to them and we use our resources more effectively.

An Annual Performance Report was published in October 2018, which set out how the council had performed during the 2017-18 financial year, against the priorities and objectives in its previous Corporate Improvement Plan. Overall, the council

made a judgement that one of the priorities had ‘good’ performance and three were ‘adequate’, based on the following criteria:

- 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

### **Integrated Impact Assessment**

The impact assessment approach continued to be embedded, with all proposals requiring Cabinet decision being subject to an assessment. All budget proposals were also supported by Impact Assessment to ensure any adverse impacts were properly identified. Officers continued to be trained on the effective completion of an impact assessment and we are working towards digitising the form to make the process simpler and allow results to be analysed. The quality of Impact Assessments used for budget preparation has been subsequently challenged by the Audit Committee and consideration needs to be given as to how the quality can be improved.

### **Annual Report of the Director of Social Services / Annual Council Reporting Framework (ACRF)**

The Annual Director’s Report on Social Service in Powys (ACRF) was presented to Full Council on 12th July 2018. It provided an objective assessment of the impact and performance of the work of social services and demonstrated how the council has promoted wellbeing and accounted for the delivery of the well-being standards contained within the Social Services and Well-being Act. However, the CIW report in 2018 criticised the Council on its adoption of the Social Services and Well-Being Act.

#### **Recommendations for development:**

The following objectives are included in Vision 2025: Our Corporate Improvement Plan (2019 Update) or Services Improvement Plans:

Objective	Responsible Service
Improved decision making through the embedded use of analytics, research and horizon scanning	Strategy, Performance and Transformation Programmes
To design and implement our digital transformation, setting the map for how the Council will take advantage of digital technologies to transform service delivery through the way we work, how we use information, support our customers, improve resident opportunities and help our businesses to compete	Digital and Communication Services
We will continue to embed the council’s values and guiding principles (5 ways of working) into strategic and service	All Services

planning and staff appraisals to encourage staff to think differently, act differently and therefore deliver differently	
All objectives within the Children’s Service Improvement Plan – 2. Partnership Working	Children’s Services

### 3.4 Core Principle D

*Determining the interventions necessary to optimise the achievement of the intended outcomes*

How we do this:

#### **Performance Management and Quality Assurance Framework**

The Council has a Performance Management and Quality Assurance Framework in place to ensure a consistent approach and clear accountability for performance improvement. Our organisation is large, complex and needs to work with multiple external partners to deliver overall results for our residents. A performance management framework is therefore essential as it lays out the common system and methods needed to perform and improve, helping us to work as one ‘joined up’ community rather than separate services. The framework ensures that staff can clearly understand their responsibilities regarding performance management on which the council’s governance arrangements will hold them to account.

#### **Improvement and Assurance Board**

A multi-agency improvement and assurance board (whose membership is independent of the council) monitors the implementation of the Improvement Plans for Childrens Services and Adult Services. Up until December 2018 it also monitored implementation of the Corporate Leadership and Governance Plan, however it was agreed that this plan could be closed down as the necessary steps had been put in place to strengthen leadership and governance across the council. The independent board meets monthly. The independent chair reports to the Leader and Welsh Government.

- **Organisational Transformation**

During 2018-19, the Acting Chief Executive led a project on organisational transformation which included proposals to change the council’s operating model and senior leadership team in order to drive forward cultural change. The transformation is intended to make the council organisationally smaller and tightly aligned to its priorities. This requires a senior management structure that is fit for purpose, providing clear direction to staff and focussed on addressing the strategic challenges ahead.

- **Workforce Planning**

A Childrens Services workforce strategy has been developed and is being delivered, it will be supported by the Corporate Workforce Strategy which will be put in place once the new Senior Leadership Team is operational

A refreshed approach to Workforce Planning, including a new tool to help managers is being embedded into the Annual Performance Cycle as part of the Performance Management and Quality Assurance Framework.

The Individual staff Performance Review process has been simplified to focus on individual's objectives linked to the Vision 2025: Our Corporate Improvement Plan, and changed to an annual appraisal and 6-month review. Managers are being trained in its use

### Review of effectiveness:

#### **Performance Management and Quality Assurance Framework**

The Performance Management Quality Assurance Framework (PMQAF) has refreshed the whole Council's approach to improving and maintaining service performance. It is part of the new Managers Induction Programme mandatory training, and Executive Management Team (EMT) and Cabinet have attended a training session. Performance Assurance is embedded, and all services are clear on their targets. This enables challenge and accountability to be made at all levels

EMT has a Corporate Dashboard of service performance, providing timely, relevant and accurate performance and quality assurance information. Systems and processes have been established to ensure corporate visibility of all services.

Performance is now reported on a quarterly basis to EMT and Cabinet, and is available in the public domain. A detailed report is collated setting an analysis of the following information:

- **Top 20 Performance Indicators** - Powys specific Performance Indicators (PIs) based on what is most important to Powys, informed by Vision 2025 and regulatory reports.
- **Corporate Improvement Plan 2018-2023 (CIP)** - The Corporate Improvement Plan is our road map to Vision 2025, setting out our top priorities and milestones.
- **Public Accountability Measures 2018-2019** – Performance framework set by Welsh Government and comparable across 21 Councils
- **Strategic Equality Plan 2016-20** – This provides an update of progress against the objectives, actions and measures within the councils statutory Plan.
- **Quality Assurance** – Framework to help measure and assess the quality and standards of services.

All staff have access to a Benchmarking Repository, and Wellbeing Information Bank so they can view data about the organisation and compare the Council with other organisations

During quarter two of 2018-19, the method for reporting quarterly performance and progress against Vision 2025: Our CIP was refined following officer feedback and a

change in governance. All performance reporting is now based on a simplified 'Achievements, Issues, Actions' principle.

## Organisational Transformation

The transformation delivered by the Acting Chief Executive has a strong focus on a culture change of the whole organisation to be accountable and highly performing, and this has been communicated to all staff clearly. A number of new appointments have been made and a new Senior Leadership Team became operational from 1 March 2019.

## Workforce Planning

The new Annual Appraisal is ensuring individuals are accountable for and receive feedback on their performance. The organisation is becoming more attractive to work for, and attracting new recruits, to reduce agency staff reliance. The Workforce Analysis Report presented to the Improvement and Assurance Board regarding Children's Service Performance contains a high level of analysis of performance and is being used as a benchmark by other Local Authorities. The organisational culture is changing as a result of the performance and workforce improvement work, and this evidenced in the enhanced challenge happening in EMT on a fortnightly basis, and will continue as new posts are appointed to enhanced job descriptions with a strong focus on performance.

### Recommendations for development:

The following objectives are included in Vision 2025: Our Corporate Improvement Plan (2019 Update) or Services Improvement Plans:

Objective	Responsible Service
We will review and embed a Performance Management and Quality Assurance Framework to ensure our decisions are underpinned by accurate information which are aligned to the council's vision and priorities.	Strategy, Performance and Transformation Programmes
We will review and re-design our services to ensure that they are more efficient and focus on our customers' requirements	Strategy, Performance and Transformation Programmes
To design and implement our digital transformation, setting the map for how the Council will take advantage of digital technologies to transform service delivery through the way we work, how we use information, support our customers, improve resident opportunities and help our businesses to compete	Digital and Communications Services
We will continue to embed the council's values and guiding principles (5 ways of working) into strategic and service planning and staff appraisals to encourage staff to think differently, act differently and therefore deliver differently	All Services

Strengthened Public Service Board, Regional Partnership Board, Powys County Council golden thread alignment of planning and reporting	Strategy, Performance and Transformation Programmes
All objectives within the Adult Services Re- Shaping Plan 2018-2023 Priority Area D: Re-shaping and reforming	Adult Services
Develop and implement a workforce plan for Digital and Communications Service	Digital and Communications Service

### 3.5 Core Principle E

*Developing the entity's capacity, including the capability of its leadership and the individuals within it*

How we do this:

#### **Constitution**

The council's Constitution sets out the roles and responsibilities of Members and Officers so that accountability for decisions made and actions taken are clear.

The council has processes in place for the appointment by political groups to committees, as well as processes for the appointment of the Parent Governor Representatives onto the Learning, Skills and Economy Scrutiny Committee and the appointment of Independent "Lay" Members on the Standards Committee and Audit Committee.

There are clear schemes of delegation to officers, which are being revised as a result of a revision to the Council's Senior Management Structure, as well as limits to such delegation set out within the Constitution. The council implemented a new Constitution (using a new model format) as from 1 September 2015 which is published on the council's website. Revisions of the Constitution are ongoing and future changes are incorporated in a new full version being published each time which will make easier the identification of versions in force at a particular point in time, which was not the case previously. The sixth version of the council's constitution was approved by full council on the 24 January 2019.

#### **Cabinet**

The council operates a Leader and Cabinet model of governance. The council is responsible for appointing the Leader. The Leader appoints the remainder of the Cabinet. The council retains responsibility for approving the council's CIP and the annual budget.

The Cabinet has delegated responsibility for a number of functions, including:

- Strategic leadership and direction

- Developing and proposing to Council for approval the CIP, the Medium Term Financial Strategy and the Annual Budget
- Ensuring delivery of the CIP
- Consulting with relevant Scrutiny Committees in the development of policy
- Delivering services in line with adopted policies and budgets.

In addition, the Leader has delegated authority to individual Cabinet members to take decisions on all matters within their individual Portfolios, and there is a process set out in the Constitution so that the decision making process is open and transparent.

## **Scrutiny**

The review of Scrutiny for 2018-19 is set out in Appendix 3.

## **Integration with Powys Teaching Health Board**

Integration makes good sense as both our organisations serve the same population and we experience many of the same challenges providing services in a large rural county. We know how effective integrated working is, but we recognise we are not currently doing enough. We know we must go much further and at a greater pace.

By joining the teams, pooling resources and shared processes the organisations can tailor services to meet the needs of the individual in a more holistic way.

In order for the council and local health board to respond to these changes, a Joint Partnership Board (JPB) will govern and oversee our ambitious change agenda set out in the Area Plan and CIP.

The JPB brings together nominated strategic leaders from Powys County Council and Powys Teaching Local Health Board. It provides strategic leadership and makes key decisions in accordance with a scheme of delegation, agreed by both bodies, to ensure effective partnership working across organisations within the county for the benefit of Powys' citizens.

The key responsibilities of the JPB are to:

- oversee the integration of health and social services, together with related enabling services
- assist in the development of a health and social care system that delivers co-ordinated care in the community to enable people to live longer and live better
- ensure that NHS and Local Authority resources are directed to support integration as required
- oversee organisational development and a culture change to deliver integration, innovation and transformation
- work to the following principles:
  - make a positive difference for the people of Powys

- always consider integration as the default position
- adding value not cost whilst diverting demand/cost avoidance
- design and deliver through dialogue with staff and the people of Powys
- challenge the status quo through supportive enquiry
- working to common frameworks and systems e.g. project management
- share learning and use evidence based approaches and standards

A Joint Management Team (JMT), consisting of the Chief Executives and Directors of both organisations, to support the work of the JPB was previously established and is in the process of being reconstituted. Work of the JMT will be incorporated within the reporting arrangements to the JPB.

An independent review of Section 33 agreements was commissioned both by the Council and by Powys Teaching Local Health Board, the result of which was that there was a low level of risk where agreements had not completed the approval process. As a result all section 33 agreements in 2018-19 were signed off and the Joint Partnership Board (JPB) has indicated that all Section 33 agreements for 2019/20 will be approved by the end of June 2019 with the exception of the Carers Section 33 agreement which will be signed off in September 2019.

Following a review of the JPB it has been agreed that it continues to deal with bi-lateral issues.

### **Officer roles and responsibilities**

The Chief Executive is the Head of Paid Service who leads the council's officers and chairs the Executive Management Team and Senior Leadership Team.

All staff have clear conditions of employment and job descriptions which highlight their roles and responsibilities. This is supported by a range of Human Resources policies.

During 2018/19, the following officers held statutory roles:

- The Solicitor to the council (who became the Head of Legal and Democratic Services as from 1<sup>st</sup> March 2019) was designated as Monitoring Officer and carried overall responsibility for legal compliance
- The Deputy Chief Executive was the Section 151 Officer appointed under the Local Government Act 1972 who was responsible for the proper administration of the financial affairs of the council until March, 2019 when Head of Finance took over the role of Section 151 Officer.
- The Director of Social Services was the Statutory Director for Social Services
- The Director of Education was the Chief Education Officer and the Lead Director for Children and Young People
- The Scrutiny Manager was the Head of Democratic Services

- The Strategic Director – Place was appointed as the Senior Information Risk Owner (SIRO). However this transferred to the Interim Strategic Director - Resources from end of April 2018. The Head of Legal and Democratic Services took over this role in February 2019.

## **Member Development**

The review of Member Development for 2018-19 is set out in Appendix 2.

## **Officer Development**

All new Officers receive induction training, and are required to complete corporate mandatory training and any other related to their role. A range of role based training is available across the council, in particular to ensure staff operate in a safe manner to protect themselves, the public and their colleagues. The council offers specific training based around staff reviews to provide the opportunity to develop existing skills or learn new skills.

A new 3-day face to face Induction Programme was introduced in May 2018 specifically for all Managers / Supervisors / Team Leaders etc. who line manage staff, and are requested to attend within 3 months of commencing the post.

The council implemented a new process for staff Appraisals in September 2018. This consists of an annual appraisal during March to May, and a formal 6-month Appraisal review during September to November. All employees should have an Appraisal, and this is monitored by the council’s Executive Management Team.

The Appraisal process helps managers and staff have a greater focus on performance management to ensure work is directed towards achieving the goals of the individual services and the organisation as a whole. Therefore, the golden thread linking the council’s strategic plans to the work of individual officers and operational staff is ensured.

The council has continued to implement the Develop, Discover and Executive Leadership Programmes, alongside the Level 5 Coaching Programme.

### **Review of effectiveness:**

#### **Constitution**

The Constitution is updated on a regular basis with version 6 being approved by Council on 24 January 2019.

#### **Scrutiny**

The review of Scrutiny for 2018-19 is set out in Appendix 3.

#### **Officer Development**

The table below outlines the number of council staff who completed Institute of Leadership and Management (ILM) programmes, to date, to strengthen leadership skills across the council.

<b>Programme</b>	<b>Completed course</b>
ILM Coaching and Mentoring	58

ILM Level 3 in Leadership & Management	222
ILM Level 5 in Leadership & Management	222
Powys Executive Programme	31
<b>Total</b>	<b>533</b>

### Statutory Officers

The council's Statutory Chief Officers have a range of functions with respect to the overall review of the council's effectiveness. These include:

- The Chief Executive is signatory to the council's Annual Governance Statement;
- The Head of Finance / Section 151 Officer is responsible for certifying that the council's Accounts present a true and fair view of its financial position and income and expenditure;
- The council's statutory Director of Social Services is responsible for an annual review of the council's social services under the ACRF.

### Recommendations for development:

The following objectives are included in Vision 2025: Our Corporate Improvement Plan (2019 Update) or Services Improvement Plans:

Objective	Responsible Service
Improve the effectiveness of scrutiny	Legal and Democratic Services
We will develop initial workforce strategy in order to improve the recruitment, retention and quality of leadership (at all levels), across our schools with a specific focus on secondary schools	Workforce and OD
We will re-model the council's staffing structure to embed changes in organisational culture, while making significant financial savings	Workforce and OD
We will equip the workforce with the right skills, attitude, behaviours and experience and develop our own talent through apprenticeships and training, to enable them to reach their potential	Workforce and OD
To support services in developing short to medium term workforce resourcing plans to ensure we have the required skilled and competent workforce in place. Facilitate an internal talent management pipeline/process to ensure services have succession plans in place as part of their Workforce Planning. This will link into effective sub-regional workforce planning key areas such as Social services	Workforce and OD
We will review and re-design our services to ensure that they are more efficient and focus on our customers' requirements	Strategy, Performance and Transformation Programmes

We will continue to embed the council's values and guiding principles (5 ways of working) into strategic and service planning and staff appraisals to encourage staff to think differently, act differently and therefore deliver differently	All Services
All objectives within the Adult Services Re-Shaping Plan 2018-23 – Priority Area A: Leadership and Governance	Adult Services
All objectives within the Adult Services Re- Shaping Plan 2018-2023 Priority Area C: Workforce	Adult Services
All objectives within the Children's Service Improvement Plan – 7. Workforce	Children's Services

### 3.6 Core Principle F

*Managing risks and performance through robust internal control and strong public financial management*

How we do this:

#### **Risk Management**

We are continuously improving and updating our approach to risk management to help better understand and manage the risks the council faces, prepare for future challenges and to increase the likelihood of achieving objectives. Risk management is a core management discipline that supports organisational delivery. The risks that the organisation faces 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, to safeguard the organisation and in turn make it more resilient.

The Portfolio Holder for Risk Management is the Leader of the council. The portfolio holder is updated on the progress of the risk management programme on a quarterly basis. The Strategic Risk Register is also reported to Cabinet on a quarterly basis.

Consideration of risk is an integral part of quarterly performance reviews held with Portfolio Holders, Directors and Heads of Service. The Audit Committee has a key role in monitoring and challenging the council's risk register.

#### **Performance Management and Quality Assurance Framework**

See Core Principal D for details on the PMQAF.

We monitor a set of Public Accountability Measures which consist of "outcome focussed" indicators. They reflect those aspects of local authority work which local authorities agree are considered to be important in terms of public accountability. For example, Social Care, educational attainment and waste. This Data allows us to compare our performance in key areas, against the 21 other local authorities in Wales.

#### **Financial Management**

The Council has well established budget monitoring and internal control arrangements and these act as an effective early warning system in identifying potential problems and for managing potential areas of risk.

Monthly reports are provided to Budget Holders, Heads of Service, Directors and Cabinet. The reports monitor performance against budget with full year forecasting and variance reporting. The delivery of savings and the forecast use of reserves are also included.

Budget Challenge events are undertaken throughout the year to challenge financial performance at a service level. No service area should plan to overspend, all expenditure must be consistent with approved service priorities and the overall approved budget.

The Council commissioned CIPFA (Chartered Institute of Public Finance and Accountancy) to undertake a Financial Management Assessment using their Financial Management Model – the global standard in public finance good practice, the model measures the financial management performance including the identification of strengths, weaknesses and areas for improvement. Importantly it measures the whole organisation's attitude to financial management.

The conclusions and recommendations from this assessment will be used to develop a plan for improvement across the organisation.

### **Powys Pension Fund**

The Fund's Governance Policy and Compliance Statement sets out in detail the Governance arrangements of the Fund.

[Link to Pension Fund Policy and Compliance Statement](#)

Powys are one of eight LGPS Administering Authorities in Wales who make up the Wales Pension Partnership. A Joint Governance Committee (JGC) for the Partnership was formally established in 2017/18 and comprises of one elected member from each of the Authorities. The JGC oversees the operations of the Partnership and is supported by an Officer Working Group.

### **Internal Audit (SWAP)**

The detailed review for SWAP is set out in Appendix 7.

### **Responding to external regulatory inspections**

The council recognises the value of regulatory inspections in helping to drive improvement. Our core regulators are Care Inspectorate Wales, Wales Audit Office and Estyn, who carry out routine inspection on our services. All recommendations and proposals for improvement that we receive from our core regulators are recorded on a corporate Regulatory Signposting tracker, which shows which service is responsible for taking action to make improvements. Services are required to embed any recommendations they receive into their Service Improvement Plans to ensure that they are being addressed through appropriate improvement objectives. The objectives then get monitored quarterly to ensure the necessary improvement is

being made. This information is also monitored as part of the council's key Performance Indicators (Top 20 PI set), to determine whether our assessments from regulators are improving overall.

[Review of effectiveness:](#)

### **Risk Management**

An audit of risk management in Powys County Council was published in March 2018. It concluded that partial assurance can be given, that is, in relation to the areas reviewed and the controls found to be in place, some key risks are not well managed. Systems require the introduction or improvement of internal controls to ensure the achievement of objectives.

### **Performance Management and Quality Assurance**

See Core principal D for details.

Quarterly Performance Reports detailing progress against Vision 2025: Our Corporate Improvement Plan were presented to the Cabinet and can be found on the council's website:

[Link to Cabinet meetings page](#)

A report on our performance against the national Public Accountability Measures was presented to Cabinet on 9<sup>th</sup> October 2018 (Annual Performance Report 2017-18) and can be found here.

<https://powysintranet.moderngov.co.uk/ieListDocuments.aspx?CId=137&MId=3777&Ver=4>

### **Budget Setting / Financial Management**

The Council continues to respond to the major financial challenge it is experiencing to ensure that it maintains a balanced budget. The funding we get from Welsh Government continues to reduce year on year, but the demand and cost of our services has increased particularly to support our elderly and the more vulnerable adults and children living in Powys. Additional responsibilities imposed upon us also increase our costs and the impact of inflation and other pay and price pressures also means that we are having to pay more to our suppliers and contractors as they increase their charges to meet their own financial pressures.

These factors in combination present a significant challenge to produce a balanced budget each year.

This revised MTFS continues to see closer alignment between the policy framework and the way we plan to use our finances. Our vision is a Council that is both open and enterprising. We want communities to feel supported so that they have a say in what is provided for them locally and the way those services are delivered.

We acknowledge that we need to increase the pace of change to meet the challenges we face. This will require some radical thinking, drawing on experience

of other authorities and learning from others. We will have to reconsider the discretionary services we provide and review the levels of service we can afford to deliver for our statutory services. New ideas and new thinking that is flexible, innovative and designed to set the authority on course for a strong and vibrant future.

The 2016/17 Wales Audit Office Annual Audit letter contained the following statutory recommendation:

“The Council must act immediately to update its Medium Term Financial Strategy to enable the Council to live within its means going forward. In setting a balanced budget, the Council must ensure that all savings plans are sufficiently well developed for inclusion in the annual budget.”

The Medium Term Financial Strategy (MTFS) establishes the framework for our financial planning. The overall process continues to be refined, developed and strengthened in order that the risk faced by Council can be mitigated.

Our budget planning has traditionally been based on incremental budgeting focusing on one year with limited development over the longer term, we recognise that this approach is no longer effective to create a Council that is financially resilient for the short, medium and longer term.

Building on the improvements we have already made, a new strategic approach to allocating resources is being developed. This approach will bring together all elements of the Council into one overarching financial strategy, which delivers Vision 2025, a programme of transformation, and which encompasses service improvement and delivers appropriate levels of statutory service. It will better align revenue and capital to ensure that our limited resources are prioritised to achieve maximum effectiveness and based on securing outcomes that matter to our residents.

The strategy is supported by the Councils detailed 5 year budget model, this has been strengthened in recent years with the development of Directorate financial models which inform the corporate plan. Savings proposals are tested more robustly with challenge events held early in the process, this will improve the strength of the proposals and improve the assurance around delivery.

A review undertaken by CIPFA confirmed that in their view the Council has implemented a robust and effective budget planning process that aligns the use of resources with Council priorities.

The final 2018/19 budget settlement for the council was announced by Welsh Government on 20th December 2017. The settlement awarded the council a 0.4% budget reduction for the financial year against a Welsh average increase of 0.2%. This amounted to a reduction in cash terms of £0.679m compared with the settlement for 2017/18.

Powys has £1,319 of funding per capita, compared to the Wales average of £1,348 and the year on year change ranks 14th out of all the Unitary Authorities.

## **Feedback from our regulators**

Appendix 3, 4 and 5 detail the key feedback that we have received from our regulators during 2018-19 and the plans we have in place to address them to ensure continuous improvement.

**Recommendations for development:**

The following objectives are included in Vision 2025: Our Corporate Improvement Plan (2019 Update) or Services Improvement Plans:

Objective	Responsible Service
Improve the effectiveness of scrutiny	Legal and Democratic Services
We will re-model the council’s staffing structure to embed changes in organisational culture, while making significant financial savings	Workforce and OD
To support services in developing short to medium term workforce resourcing plans to ensure we have the required skilled and competent workforce in place. Facilitate an internal talent management pipeline/process to ensure services have succession plans in place as part of their Workforce Planning. This will link into effective sub-regional workforce planning key areas such as Social services	Workforce and OD
To develop, agree and implement an audit/improvement plan in high risk service areas	Workforce and OD
We will review and embed a Performance Management and Quality Assurance Framework to ensure our decisions are underpinned by accurate information which are aligned to the council's vision and priorities	Strategy, Performance and Transformation Programmes
Embed the Risk Management Toolkit to ensure effective risk management throughout the council. Ensuring all decisions are underpinned by a well-managed risk management approach	Strategy, Performance and Transformation Programmes
All objectives within the Adult Services Re- Shaping Plan 2018-2023 Priority Area C: Workforce	Adult Services
All objectives within the Children’s Service Improvement Plan – 5 Independent Reviewing, Quality Assurance and Complaints	Children’s Services
Improve governance of Section 33 Agreement with Powys Teaching Health Board	Digital and Communications Service

## 3.7 Core Principle G

*Implementing good practices in transparency, reporting, and audit to deliver effective accountability*

How we do this:

### **Constitution**

The council's Constitution sets out how the council operates and the process for policy and decision making. Within this framework, decisions are taken by Council, Cabinet, individual Cabinet Members and Officers. Certain specific decisions are taken by the Planning, Taxi Licensing and Rights of Way Committee, The Licensing Act 2003 Committee, Pensions and Investment Committee and the Employment and Appeals Committee.

### **Meetings and Reporting Documents**

The council presumes that reports will be publicly available unless certain, specific tests are met. There are seven categories of exempt information and these include:

- Information relating to a particular individual
- Information relating to legal matters

For information to be treated as exempt, an assessment of public interest has to be made, to ensure proper balance is achieved between the right to know, the right to personal privacy and the delivery of efficient government.

Agendas, reports and minutes of the council's committees are published online and are accessible to the public unless an item contains information which is classed as exempt.

There is a presumption that most meetings will be open to the public, again except where information is to be discussed which is classed as exempt.

The council now webcasts all Council and Cabinet meetings and is considering whether other meetings could also be webcast in the future.

### **Quarterly and Annual Performance Reporting**

As outlined in Core Principle F, the council publishes its quarterly performance reports on its website as part of the Cabinet Meeting agendas. This ensures transparency and accountability.

In line with the requirements of the Local Government (Wales) Measure 2009 and Well-being of Future Generations Wales Act 2015, the council also publishes an annual Performance Report (Well-being Report) which sets out an open and honest assessment of performance against the Well-being objectives, activities and performance measures in its Corporate Improvement Plan. Powys County Council agreed its 2017-18 Annual Performance Report on 18 October 2018 and this

detailed performance against the Corporate Improvement Plan 2016-20 that was implemented during 2017-18. During 2018-19, the council focussed on implementing its new Vision 2025: CIP and a performance report against the first year of this plan is due to be agreed and published in July 2019.

The council contributes to a set of Public Accountability Measures. Results of these are submitted to the Local Government Data Unit who in turn publish an annual performance bulletin, which considers performance across all 22 Welsh local authorities. The council's position on the indicator sets is published as part of the council's annual performance summary and evaluation. In 2017/18 the Council ranked 10th out of 22 (This was based on information that was available for 20 out of the 26 indicators. For the remaining 6 measures that are all Social Care, all Wales figures only (no breakdown to authority level) have been released by Welsh Government (WG) for the 3 quantitative measures. The remaining 3 qualitative measures have not had figures released. This decision has been made by Welsh Government due to data collection system changes across Wales.) The 2018/19 assessment will be available during late summer 2019.

### Scrutiny

The review of Scrutiny for 2018-19 is set out in Appendix 3.

### Internal Audit

From 1 April 2017 the council's internal audit service was provided by South West Audit Partnership (SWAP). SWAP is a not for profit organisation that was originally set up in 2003 and the arrangement sees Powys County Council become a partner in the company that provides audit services to various public sector bodies including Somerset County Council and Herefordshire Council.

In accordance with the recognised standards, the Head of Audit is required to give an opinion on the overall internal control environment based on the work undertaken throughout the year. The Head of Audit's opinion on internal control for 2018/19 is as follows (See Appendix 7 for the detailed opinion):

**REASONABLE ASSURANCE: The control framework is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure business objectives are met.**

#### Recommendations for development:

The following objectives are included in Vision 2025: Our Corporate Improvement Plan (2019 Update) or Services Improvement Plans:

Objective	Responsible Service
Improve the effectiveness of scrutiny	Legal and Democratic Services
Improve the Cabinet Forward Work Programme	Legal and Democratic Services

To develop, agree and implement an audit/improvement plan in high risk service areas	Workforce and OD
We will review and embed a Performance Management and Quality Assurance Framework to ensure our decisions are underpinned by accurate information which are aligned to the council's vision and priorities	Strategy, Performance and Transformation Programmes
Strengthened Public Service Board, Regional Partnership Board, Powys County Council golden thread alignment of planning and reporting	Strategy, Performance and Transformation Programmes
Improved decision making through the embedded use of analytics, research and horizon scanning	Strategy, Performance and Transformation Programmes
All objectives within the Children's Service Improvement Plan – 5 Independent Reviewing, Quality Assurance and Complaints	Children's Services
All objectives within the Children's Service Improvement Plan – 6. Infrastructure and Support	Children's Services

## Section 4. Conclusions – Main Governance Issues Facing the Council and Requiring Action

The table below identifies the most significant governance issues (prioritised from the recommendations for development outlined in section 3 above) and how we will address them during 2019 / 20.

Governance Issue	How we are addressing the Issue
<ul style="list-style-type: none"> <li>Ensure that recommendations arising from inspection reports detailed in Appendices 4,5 and 6 are addressed within relevant Service Improvement Plans</li> </ul>	<ul style="list-style-type: none"> <li>Action Plans and Service Improvement Plans whose objectives are monitored quarterly by the Executive Management Team and Cabinet.</li> </ul>
<ul style="list-style-type: none"> <li>All objectives within the Adult Services Re-Shaping Plan 2018-2023</li> </ul>	See Note below.
<ul style="list-style-type: none"> <li>All objectives within the Children's Service Improvement Plan</li> </ul>	See Note below.

Governance Issue	How we are addressing the Issue
<ul style="list-style-type: none"> <li>Improved decision making through the embedded use of analytics, research and horizon scanning</li> </ul>	See Note below.
<ul style="list-style-type: none"> <li>We will review and embed a Performance Management and Quality Assurance Framework to ensure our decisions are underpinned by accurate information which are aligned to the council's vision and priorities</li> </ul>	See Note below.
<ul style="list-style-type: none"> <li>Strengthened Public Service Board, Regional Partnership Board, Powys County Council golden thread alignment of planning and reporting</li> </ul>	See Note below.
<ul style="list-style-type: none"> <li>Improve the effectiveness of scrutiny</li> </ul>	See Note below.
<ul style="list-style-type: none"> <li>We will equip the workforce with the right skills, attitude, behaviours and experience and develop our own talent through apprenticeships and training, to enable them to reach their potential</li> </ul>	See Note below.
<ul style="list-style-type: none"> <li>Improve governance of Section 33 Agreement with Powys Teaching Health Board</li> </ul>	See Note below.

**NOTE:** Each service has developed a Service Improvement Plan and these contain detailed action plans for how the improvement objectives (governance issues) will be addressed. Progress against the improvement objectives will be monitored quarterly using an 'Achievements, Issues, Actions' reporting approach

## Section 5. Certification of the Annual Governance Statement 2018-19

Signed on behalf of Powys County Council:

.....

Chief Executive

Date: 6 September 2019

.....

Leader of the Council

Date: 6 September 2019

## Section 6. Appendices

### Appendix 1: Areas for improvement identified in the Annual Governance Statement 2017/18

Areas for Improvement	Our progress in 2018/19
<p><b>Core Principle A</b></p> <ul style="list-style-type: none"> <li>To review the council's implementation plan following the commencement of the General Data Protection Regulations in May 2018.</li> </ul>	<ul style="list-style-type: none"> <li>Implement the GDPR Implementation Plan in line with the Information Management Assurance Governance Plan. The majority of the components of the GDPR Implementation plan were implemented, and further improvement and compliance work is planned</li> <li>Monitoring by the Corporate Information Operational Governance Group chaired by the Data Protection Officer. Meeting and scrutiny undertaken regularly, with increased attendance due to concerns over GDPR by Information Asset Owners.</li> <li>Reporting to the Corporate Information Governance Group chaired by the Senior Information Risk Officer. Regular meetings have continued with GDPR compliance as a specific agenda item.</li> <li>Scrutiny Review of implementation of GDPR – Last scrutiny oversight was January 2018, with report to Cabinet following.</li> </ul>
<ul style="list-style-type: none"> <li>To produce statistics for Members' attendances at mandatory sessions and attendances at committees during 2018/19.</li> </ul>	<ul style="list-style-type: none"> <li>Members attendances at Mandatory Development Sessions are recorded and monitored and any failures to attend are reported to the Standards Committee in accordance with the Council's decision.</li> <li>This has resulted in 3 Members being reminded by the Standards Committee of the need to complete Mandatory Treasury Management Development in January 2019, and the successful completion of that development by those 3 Members.</li> <li>Member attendances at committees for 18 May 2017 to 16 May 2018 were reported to the Standards Committee on 27 June 2018.</li> <li>In addition Member attendance at the Scrutiny Committee considering Adults and Children's Services matters are monitored and reported in the Performance reports for Adults and Children's Services.</li> <li>Attendance by Members at mandatory sessions are displayed on the training record for each individual Member on their web page on the council's internet.</li> </ul>

Areas for Improvement	Our progress in 2018/19
<ul style="list-style-type: none"> <li>The issue regarding Our Values and organisational learning needs to be incorporated within the Corporate Governance and Leadership Improvement Plan.</li> </ul>	<ul style="list-style-type: none"> <li>Officer Leadership and Workforce Strategy were two of the priorities of the Corporate Leadership and Governance Plan during 2018-19. A number of actions to strengthen organisational learning and ensure a focus on values were delivered. Monthly progress reports were developed to evidence progress against these actions and reported to an Improvement and Assurance Board.</li> </ul>

<p><b>Core Principle B</b></p> <ul style="list-style-type: none"> <li>Engagement and Consultation</li> </ul> <p>The recommendations around stakeholder voice and involvement will be implemented during this financial year to help support the values and the CIP to help residents understanding of and ability to influence decisions being made around budgetary pressures and customer expectations. The review highlighted that <i>“There’s a clear opportunity to improve the clarity of corporate priorities and consequential matching of communication resources and focus accordingly, leading to a clearer and consistent narrative for the council.”</i> [Independent report on the Communications Service by Peter Holt]</p>	<ul style="list-style-type: none"> <li>The council has purchased a new engagement platform called Citizen Space. It allows the local authority to create its own online consultations using a range of tools which will enhance the ability of residents to engage with the council in a more timely, efficient and meaningful manner. The platform will allow better co-ordination and auditing all consultation and engagement activity across the organisation and allows more detailed analysis of feedback given by residents so their views can be given due regard. This platform will support Vision 2025’s ethos to ensure “communities have an active role in the design and delivery of the services they need.</li> <li>The existing Consultation Framework has been reviewed, refreshed, and feedback from staff users gained, to improve how we engage with residents.</li> </ul>
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<p><b>Core Principle C</b></p> <ul style="list-style-type: none"> <li>To undertake an annual review of our corporate priorities</li> </ul>	<ul style="list-style-type: none"> <li>An Annual Review of Vision 2025: Our Corporate Improvement Plan was undertaken starting with a comprehensive analysis of a range of corporate information including, financial, performance, customer feedback, regulator feedback, strategic risk, legislative</li> </ul>
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<p>(well-being objectives) to ensure they are the most relevant for delivering social, economic, cultural and environmental benefits in line with the national well-being goals.</p>	<p>requirements and wellbeing statistics. This helped draw up a picture of the council's strengths, weaknesses, opportunities and threats, which were considered, by Heads of Service and Corporate Directors. As a result, a number of recommendations were made to change activities and measures within the current CIP, to come into effect from April 2019 onwards. These changes will aim to ensure that the Plan is focused on key transformation and improvement activity, rather than business as usual; that it removes duplication and that it doesn't conflict with the proposed savings and budgetary pressures. Cabinet agreed the recommendations at a meeting on 5 March 2019. The Economy, Residents, Communities and Governance Scrutiny Committee were also given the opportunity to comments on the recommended changes.</p> <ul style="list-style-type: none"> <li>• During 2018 – 19 we also completed the Future Generations Commissioner Self Reflection Tool, which was a self assessment of the progress we are making towards our well-being objectives. We also took part in Regional Workshops and did a peer review of other organisations progress towards their well-being objectives. This allowed us to compare our own progress with others.</li> </ul>
<ul style="list-style-type: none"> <li>• Continue to strengthen alignment between our strategic, workforce and financial planning to ensure the council has the resources to deliver transformational change.</li> </ul>	<ul style="list-style-type: none"> <li>• The revised Medium Term Financial Plan will ensure that there is strengthened alignment between our strategic, workforce and financial planning alongside its capital strategy, and reserves policy</li> <li>• Implementation of the Corporate Leadership and Governance Plan, specifically priority D, which focussed on Strategic and Financial Planning.</li> <li>• The implementation of the CLGP was scrutinised monthly by the Improvement and Assurance Board</li> <li>• A refreshed approach to Workforce Planning, including a new tool to help managers is being embedded into the Annual Performance Cycle as part of the PMQAF</li> <li>• We have delivered bi-monthly workshops with Managers to raise awareness of their role in effectively implementing the PMQAF</li> </ul>
<ul style="list-style-type: none"> <li>• Ensure our dedicated Improvement Plans (for Children's and Adults services and Corporate Leadership and Governance) are delivered.</li> </ul>	<ul style="list-style-type: none"> <li>• Dedicated and improved Performance reports developed</li> <li>• Monitoring of Action Plans / Performance reports by <ul style="list-style-type: none"> <li>○ Executive Management Team;</li> <li>○ Cabinet</li> <li>○ Health and Care and Housing Scrutiny Committee</li> <li>○ Improvement and Assurance Board</li> <li>○ County Council</li> </ul> </li> </ul>

	<ul style="list-style-type: none"> <li>• Portfolio Holder meetings with officers</li> </ul> <p>Regular reporting to Welsh Government Ministers</p>
<ul style="list-style-type: none"> <li>• Continue to ensure we respond to regulators recommendations and incorporate these into our planning arrangements where applicable</li> </ul>	<ul style="list-style-type: none"> <li>• Recommendations that were received from our regulators were incorporated in to the Adults Improvement Plan, Childrens Improvement Plan and Corporate Leadership and Governance Plan, with appropriate actions put in place to address the issues raised. These plans were monitored monthly by the Improvement and Assurance Board.</li> <li>• A Regulatory Sign-posting Tracker is also held corporately by the Strategic Planning and Performance Team, which records all the formal recommendations that the council receives and assigns these to a Responsible service.</li> <li>• The Service Improvement Plan template requires all services to record the recommendations or proposals for improvement that they have received from regulators and their service improvement objectives should be developed to address these.</li> <li>• Strategic and financial planning was included as a priority within the Corporate Leadership and Governance Plan</li> <li>• The implementation of the CLGP is scrutinised monthly by the Improvement and Assurance Board</li> <li>• Budget planning commenced in March 2018 recognising the need to develop the plan earlier. This will ensure that all aspects of the plan are robust and deliverable and that all savings plans are sufficiently well developed for inclusion in the annual budgetThe Council recognised that it needed 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 in respect of its corporate and financial arrangements</li> </ul>

<p><b>Core Principle D</b></p> <ul style="list-style-type: none"> <li>Merging the Performance Management Framework with a robust Quality Assurance Framework to ensure we implement a culture of continuous evaluation, challenge and improvement to meet expected standards.</li> </ul>	<ul style="list-style-type: none"> <li>During 2018-19, the Performance Management Framework was reviewed in order to strengthen the council's focus and approach around Quality Assurance. The framework was re-named the Performance Management and Quality Assurance Framework and set out a detailed requirement that at the start of each financial year all Heads of Service will inform the Strategy, Performance and Transformation Programmes team of the quality assurance information they will be submitting for their service area quarterly</li> </ul>
<ul style="list-style-type: none"> <li>Continue to implement a programme management approach to delivering and monitoring the council's CIP</li> </ul>	<ul style="list-style-type: none"> <li>In quarters 1 and 2, delivery of Vision 2025: Our CIP was managed by four council programme boards and through the Regional Partnership Board governance structure. However, following a review of the programme governance a more streamlined approach was implemented from quarter 3. There is now one Transformation Programme that will focus purely on significant transformational projects that need to be delivered by more than one service. Other service improvement work that will help us deliver Vision 2025, is now being managed and governed separately at a service level, with Individual Heads of Service acting as the accountable officers. Each Head of Service has developed a Service Improvement Plan with clearly defined objectives and action plans, showing how they will contribute to delivery of Vision 2025: Our CIP objectives, efficiency objectives and strategic equality objectives (where appropriate).</li> </ul>
<ul style="list-style-type: none"> <li>Establishment of a new independent Improvement and Assurance Board to oversee progress against the Children and Adults Improvement Plans and Corporate Leadership and Governance Plan</li> </ul>	<ul style="list-style-type: none"> <li>The Improvement and Assurance Board has been in operation since March/ April 2018 and has met monthly to oversee the implementation of the Children and Adults Improvement Plans. It also monitored the implementation of the Corporate Leadership and Governance Plan up until December 2018, when the plan was closed down as the majority of actions were completed or moved to business as usual.</li> </ul>

<ul style="list-style-type: none"> <li>• Implement a robust quarterly monitoring process for monitoring the CIP and service performance</li> </ul>	<ul style="list-style-type: none"> <li>• Performance is now reported on a quarterly basis to EMT and Cabinet, and is available in the public domain. EMT and Cabinet have access to Corporate, Directorate, and Service level live performance data. All staff have access to a Benchmarking Repository, and Wellbeing Information Bank so they can view data about the organisation and compare the Council with other organisations. During quarter two of 2018-19, the method for reporting quarterly performance and progress against Vision 2025: Our CIP was refined following officer feedback and a change in governance. All performance reporting is now based on a simplified 'Achievements, Issues, Actions' principle. Quarterly Performance Review Meetings for each service continued to be undertaken. These are attended by the Heads of Service, Corporate Directors, Portfolio Holder(s) and a representative from the Strategic Planning and Performance Team who challenges the quality of data and progress against targets etc. Where there are exceptions (red and amber BRAG status), EMT are required to identify remedial action to bring the activity/ Performance Indicator back on track.</li> </ul>
<ul style="list-style-type: none"> <li>• Continue to strengthen our data reporting capabilities by automating processes.</li> </ul>	<ul style="list-style-type: none"> <li>• Work is underway to ensure WCCIS functionality is supporting and providing Social Care practice and process improvements, and to further develop the National Health and Social Care system</li> </ul>

<p><b>Core Principle E</b></p> <ul style="list-style-type: none"> <li>• The council is continuing its ILM programme, and is also introducing an induction training process for managers</li> </ul>	<ul style="list-style-type: none"> <li>• The council is continuing with the ILM Programmes, however will be reviewing the Leadership &amp; Management training at all levels of the Council during the first quarter of 2019</li> </ul>
<ul style="list-style-type: none"> <li>• The effectiveness of the restructure of scrutiny once completed can be tested and reviewed during 2018/19</li> </ul>	<ul style="list-style-type: none"> <li>• The scrutiny committee structure approved in May 2018 was reviewed during the summer of 2018 and led to recommendations for further revisions including the establishment of a Scrutiny Development Board. The Board made recommendations on further revisions to the scrutiny committee structure which were approved in January 2019 and implemented from February 2019. A further review of the latest structure will be undertaken in the Autumn of 2019.</li> </ul>

<ul style="list-style-type: none"> <li>• The role of the FSP will need to be reviewed to determine its future role.</li> </ul>	<ul style="list-style-type: none"> <li>• As part of the review of the scrutiny committee structure in the summer of 2018 it was recommended that the role of the Finance Scrutiny panel be amended, It was renamed the Finance Panel, its membership was revised to include the Portfolio Holder for Finance (who could not be the Chair of the Panel) and its terms of reference was amended to consider strategic financial matters only with the other scrutiny committees undertaking the financial scrutiny of services.</li> </ul>
<ul style="list-style-type: none"> <li>• Implement the Corporate Governance and Leadership Improvement Plan.</li> </ul>	<ul style="list-style-type: none"> <li>• The Corporate Leadership and Governance Plan continued to be implemented and monitored up until December 2018, at which point a decision was made to close the plan, as the majority of actions were completed. Any remaining actions were moved to business as usual.</li> </ul>

<p><b>Core Principle F</b></p> <ul style="list-style-type: none"> <li>• Risk Management</li> </ul> <p>In the period April to August 2018 risk management in Powys County Council will be significantly transformed, an action plan has been developed, and will take into account the recommendations from the audit:</p>	<ul style="list-style-type: none"> <li>• Risk register monitoring by Executive Management Team, Cabinet and the Audit Committee</li> <li>• Electronic risk management software (JCAD) currently being implemented, which will enable greater linkage between all of the risk registers across the organisation.</li> <li>• A review of our Strategic Risk Register was undertaken and agreed. All services have risk registers which are maintained at least quarterly.</li> </ul>
<ul style="list-style-type: none"> <li>• Regulator Comments</li> <li>• In order to remove duplication in terms of reporting against regulatory recommendations, the council will integrate the regulatory recommendations it received from its key regulators into its existing Improvement Plan action plans (Children's, Adults and Corporate Leadership and Governance Improvement Plan). These action plans are</li> </ul>	<ul style="list-style-type: none"> <li>• Recommendations that were received from our regulators were incorporated in to the Adults Improvement Plan, Childrens Improvement Plan and Corporate Leadership and Governance Plan, with appropriate actions put in place to address the issues raised. These plans were monitored monthly by the Improvement and Assurance Board. A Regulatory Sign-posting Tracker is also held corporately by the Strategic Planning and Performance Team, which records all the formal recommendations that the council receives and assigns these to a Responsible service. The Service Improvement Plan template requires all services to record the recommendations or proposals for improvement that they have received from regulators and their service improvement objectives should be developed to address these.</li> </ul>

<p>being monitored by the independent Improvement board, and going forward will be monitored monthly at the newly formed Improvement and Assurance Board (May 2018)</p>	
<ul style="list-style-type: none"> <li>• Performance Management</li> <li>• Implement Performance Management Quality Assurance Framework.</li> </ul>	<ul style="list-style-type: none"> <li>• Implementation of Vision 2025 and supporting plans.</li> <li>• The revised Medium Term Financial Plan will ensure that there is strengthened alignment between our strategic, workforce and financial planning alongside its capital strategy, and reserves policy</li> <li>• Implementation of the Corporate Leadership and Governance Plan, which was scrutinised monthly by the Improvement and Assurance Board</li> <li>• Managed performance effectively through quarterly programme boards (Quarters 1 and 2), review meetings, improvement and assurance board, management team and Cabinet</li> <li>• The Performance Management Quality Assurance Framework (PMQAF) has refreshed the whole Council's approach to improving and maintaining service performance. It is part of the new Managers Induction Programme mandatory training, and Executive Management Team (EMT) and Cabinet have attended a training session</li> <li>• Delivered bi-monthly workshops with Managers to raise awareness of their role in effectively implementing the framework</li> <li>• The new Annual Appraisal process is ensuring individuals are accountable for and receive feedback on their performance</li> <li>• The organisational culture is changing as a result of the performance and workforce improvement work, and this evidenced in the enhanced challenge happening in EMT on a fortnightly basis, and will continue as new posts are appointed to enhanced job descriptions with a strong focus on performance</li> <li>• Our quarter 4 Performance Management report shows that performance against our key measures has improved throughout 2018-19.</li> </ul>

<p><b>Core Principle G</b></p> <ul style="list-style-type: none"> <li>• Scrutiny <ul style="list-style-type: none"> <li>○ Review of the role and terms of reference of the Finance Scrutiny Panel to be undertaken to determine whether the Panel continues to function as currently or whether its roles and terms of reference are amended or the Panel's functions are subsumed into the Audit Committee's functions.</li> </ul> </li> </ul>	<ul style="list-style-type: none"> <li>• As part of the review of the scrutiny committee structure in the summer of 2018 it was recommended that the role of the Finance Scrutiny panel be amended, It was renamed the Finance Panel, its membership was revised to include the Portfolio Holder for Finance (who could not be the Chair of the Panel) and its terms of reference was amended to consider strategic financial matters only with the other scrutiny committees undertaking the financial scrutiny of services.</li> </ul>
<p>There will be a need to review the effectiveness of Scrutiny once the new Scrutiny Committees have been in operation for 12 months.</p>	<ul style="list-style-type: none"> <li>• The scrutiny committee structure approved in May 2018 was reviewed during the summer of 2018 and led to recommendations for further revisions including the establishment of a Scrutiny Development Board. The Board made recommendations on further revisions to the scrutiny committee structure which were approved in January 2019 and implemented from February 2019. A further review of the latest structure will be undertaken in the Autumn of 2019.</li> </ul>

## Appendix 2: Member Development

<p>Core Principles to which this section relates:</p> <ul style="list-style-type: none"> <li>• Core Principle E</li> </ul>
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The council aims to provide a wide range of opportunities for Members and Officers to be more effective.

All newly elected Members receive induction training. There is also specific training relating to whichever committees they are appointed. Powys County Council was re-awarded the Wales Charter for Member Support and Development in March 2018 (having first gained the award in 2011 and then re-awarded in 2015). An annual Member Development Programme is in place and the council has identified mandatory and discretionary training as well as possible sanctions which can be

utilised by the Standards Committees for Members failing to achieve Mandatory training set by the council. Members in receipt of Senior Salaries (e.g. Cabinet Members and Committee Chairs) have undertaken personal development reviews (PDRs) to assess their individual training needs. This is undertaken on a two yearly basis or within three months of their initial appointment.

In light of the CIW Report into Children's Services, the Improvement and Assurance Board required the undertaking of additional training by Members. These included modules for Cabinet, Scrutiny and all Members as set out below. The Council approved these as Mandatory sessions.

A Member Development Working Group consisting of Councillors and Officers develops and monitors the implementation of the Member training programme. Work is ongoing on the Member Development Programme for 2018/19 and onwards.

Members received a number of seminars between April 2018 /March 2019. These help to build background knowledge and help Members in fulfilling their Scrutiny and Audit roles. In addition, other development was undertaken as a result of membership of committees.

A programme of Member Development Sessions / Seminars have been delivered for 2018 - 2019 which included:

Member Development Sessions:

[M] – Mandatory Member Development Sessions

- Treasury Management [M]
- Corporate Parenting [M]
- Corporate Safeguarding [M]
- Violence Against Women, Domestic Abuse and Sexual Violence [M]
- Child Sexual Exploitation (CSE) and County Lines
- Social Media
- Equalities and Diversity [M]

Seminars:

- Credu (carers voluntary organisation)
- Powys Youth Forum
- Brexit
- Budget Seminars
- Social Care Budget
- Care Inspectorate Wales briefing
- School Funding Formula Review
- Social Services Performance Data
- Discussion on Revised Scrutiny Structure

The council has also as a result of the inspection of Children's Services by CIW identified and delivered additional Member Development Sessions including:

- Roles and Responsibilities of Councillors in Council Improvement

- Opposition Group Leaders and Deputies
- Cabinet
- Scrutiny
- Chairs and Vice-Chairs of Committees
- Corporate Parenting

Some of these modules could not be completed due to the cancellation of sessions, but they were delivered in April, 2018.

### Appendix 3: Scrutiny

<p>Core Principles to which this section relates:</p> <ul style="list-style-type: none"> <li>• Core Principle C</li> <li>• Core Principle E</li> <li>• Core Principle G</li> </ul>
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### Scrutiny

The Constitution sets out clear terms of reference for all Committees of the council. The Cabinet, and the Scrutiny and Audit Committees have rolling work programmes.

#### Scrutiny Committee Structure.

From April to May 2018 the Council operated 3 scrutiny committees namely:

- Scrutiny Committee A
- Scrutiny Committee B
- Audit Committee (designated in the Constitution as a scrutiny committee)

Following criticism of the effectiveness of Scrutiny in the Care Inspectorate Wales report on Children's Services, a review of Scrutiny Committee structure was undertaken and proposals for a new structure was considered by the Council at its Annual Meeting in May 2018. The proposals for three scrutiny committees together with an Audit Committee were rejected and two scrutiny committees together with an Audit Committee undertaking scrutiny was approved as follows:

- Learning, Skills and Economy Scrutiny Committee
- Health, Care and Housing Scrutiny Committee
- Audit (designated in the Constitution as a scrutiny committee)

The Council decided to retain the 3 scrutiny committee structure (including audit), to expand the membership to 21 Members (plus co-opted Members) meeting every two weeks, and to reflect the council's Vision 2025 in the revised terms of reference. In addition, it was decided to move away from using Member and Officer Working Groups, to have all meetings in public (excluding where confidential items are discussed) and to consider webcasting scrutiny meetings.

Following the revision to the scrutiny committee structure which took place in May 2018, concerns were expressed by both Members and Officers regarding the way

that the new structure was operating. External support was sought and a further review was undertaken which made a series of suggestions to the Council as to the way forward. One of those proposals led to the establishment of a Scrutiny Development Board in October 2018 comprising representatives of the Cabinet, Scrutiny Chairs and Vice-Chairs and the Executive Management Team. The role of the Development Board was to review the effectiveness of the revised structure and to bring forward proposals to Council.

The Development Board concluded that the revised structure was not providing the scrutiny structure that the Council required and suggested the following amendments:

Creation of 3 scrutiny committees based on Vision 2025 namely:

- Health and Care Scrutiny Committee
- Learning and Skills Scrutiny Committee
- Economy, Residents, Communities and Governance Scrutiny Committee

The Audit Committee would not undertake any scrutiny and would return to its statutory financial functions.

The Finance Scrutiny Panel would be renamed the Finance Panel, with the Portfolio Holder for Finance becoming a member of the Panel (but could not Chair the Panel). In addition, the Panel would undertake strategic financial scrutiny only with the scrutiny of individual services being undertaken by the 3 scrutiny committees.

The establishment of a Co-ordinating Committee comprising representatives of the Cabinet, Chairs and Vice-Chairs of the Scrutiny and Audit Committees and representatives of the Executive Management Team to undertake the development of the Scrutiny Forward Work Programme. The Co-ordinating Committee will not undertake any scrutiny with that function transferred to the Economy, Residents, Communities and Governance Scrutiny Committee. It is hoped that this wider group will improve the programming of scrutiny by bringing a wider perspective to the prioritisation of items for scrutiny. It will also approve the establishment of any Working Groups as well as undertake a further review of the effectiveness of the structure following 6 months on its implementation.

The proposals were discussed with members at a Members' Seminar in January 2019 and approved by Council at its meeting on 24 January, 2019. The new structure was implemented during February, 2019.

### **Scrutiny 2018-19**

Scrutiny Committees undertake reviews and inquiries, within the Committee as a whole or within Working Groups. The findings of Scrutiny reviews and inquiries are presented to Cabinet with recommendations for action. Since December 2016, greater emphasis is now placed on pre-decision scrutiny of significant strategic policy issues and service changes.

The Health and Care Scrutiny Committee has overseen the Council's recovery plans following adverse reports by external regulators to ensure that the required improvement is achieved and this work is ongoing.

The Scrutiny Committees are independent of the Cabinet. The Audit Committee undertook a 'Scrutiny' function as allowed by the Local Government (Wales) Measure 2011 (up to February 2019), as audit and financial scrutiny is an integral part of any scrutiny process, as well as the statutory 'regulatory' functions. It oversees the work of Internal Audit, Risk Management and receives the reports of the Wales Audit Office. It has responsibility for approving the council's Accounts. It did monitor the council's performance in relation to its budget and achievement of performance targets, but this function is now undertaken by the Cabinet.

The council's committees also include some representatives who are not County Councillors. The Audit Committee has an independent "lay" member, the Learning, Skills and Economy Scrutiny Committee has co-opted Members in respect of education scrutiny. The Health and Care Scrutiny Committee has a co-opted member in respect of crime and disorder matters, although this role is currently vacant (role transferred to the Economy, Residents, Communities and Governance Scrutiny Committee from February 2019).

The council's Joint Chairs and Vice-Chairs Steering Group (Scrutiny Committees) which meets monthly undertakes the challenge of the Draft CIP and any updates as well as the Annual Performance Evaluation, the Well-Being Assessment and the Draft Well-Being Plan. Its main focus at each meeting is to co-ordinate the work programmes of the Scrutiny Committees, decide if joint working needs to be undertaken between committees and to ensure resources are available to undertake reviews or pre-decision Scrutiny.

In 2014 – 15 the council established a Finance Scrutiny Panel as part of a project funded and supported by the Centre for Public Scrutiny. The Panel's composition included Scrutiny chairs, opposition group leaders and representatives of the Audit Committee with the Chair of the Audit Committee being Chair of the Panel.

The role of the Panel is not only to undertake the Scrutiny of the draft budget from Cabinet prior to its consideration by the council, but in addition to scrutinise elements underlying the budget process to assess whether base assumptions being used by the council were sound. The Panel will also look at the Medium Term Financial Strategy and the deliverability of financial targets in forthcoming years.

### **Public Service Board Scrutiny**

The council has established a PSB Scrutiny Committee comprising those agencies who currently make up the PSB with the first meeting held in September 2018. Its role is to scrutinise the implementation of the Powys Well-Being Plan as well as integration projects between the Council and the Powys Teaching Local Health

Board. A schedule of meetings and a work programme is being developed for the committee. At the September 2018 meeting the PSB Scrutiny Committee decided to scrutinise step 10 in the implementation of the Well-Being Plan.

#### Review of effectiveness:

The Finance Scrutiny Panel (FSP) provided an interim report on the 2019/20 budget to Cabinet in December 2019. This was supplemented with strategic comments on the budget process in to both Cabinet and County Council in February and March 2019.

Scrutiny has been the subject of 2 reviews during 2018 -19, one concluding with the decision in May, 2018 and a subsequent one concluding with the Council decision in January 2019. It was also decided in January that the Co-ordinating Committee would review the effectiveness of the current structure once it had been in operation for 6 months.

The areas which were scrutinised during 2018/19 are set out below. This included pre-decision scrutiny, monitoring of improvement plans, scrutinising corporate plans.

The PSB Scrutiny Committee has had a difficult start with the first meeting being inquorate and the second in January being cancelled due to the unavailability of participants an other items being withdrawn.

There is a focus on developing the Cabinet Work Programme in line with a recommendation from the Wales Audit Office, who have suggested that the council should have an 18 month Cabinet Work Programme. This would assist in the development of the Scrutiny Work Programme. Progress in achieving an 18 month Cabinet Work programme whilst slow is improving with continued action being taken to remind services of the need to populate this Work programme.

Reports from Scrutiny reviews containing the findings together with any recommendations are presented to Cabinet for their consideration. The Cabinet is expected to produce an action plan to respond to any recommendations made by Scrutiny. In respect of pre-decision Scrutiny the comments of the Scrutiny review group are made to the Cabinet / Executive Management Team meetings. A final report will be included with the Cabinet papers setting out the original recommendations to the Cabinet / Executive Management Team together with an update regarding amendments to the final Cabinet report as a result of those initial Scrutiny recommendations. It is hoped to develop this further in 2019-20 by monitoring how many recommendations from scrutiny committees are accepted in full or partially or rejected.

#### Recommendations for development:

##### **Scrutiny**

- Co-ordinating Committee to review the effectiveness of the new scrutiny structure agreed in January 2019 following 6 months of operation.
- Monitor recommendations from scrutiny committees to Cabinet that are accepted in full, partially accepted or rejected.
- Undertake self assessment of scrutiny to assess its effectiveness.

The following are examples of areas which were scrutinised / Pre-scrutinised during 2018/19:

**Audit Committee:**

- Financial Overview and Forecast and Capital Reports
- Corporate Risk Register and its transition to a Strategic Risk Register
- Treasury Management
- WAO Reports
- Statement of Accounts
- WAO reports – Transformation Review and Overview and Scrutiny
- Internal Audit reports
- Children’s Services Budget
- Theatr Brycheiniog
- Joint meeting with Pensions and Investment Committee regarding the Actuary’s report

**Finance Scrutiny Panel:**

- Children’s Services Budget
- Review of roles and responsibilities of the Panel
- Budget Process and Planning including monitoring of the funding gap and savings proposals

**April to May 2018**

**Scrutiny Committee A:**

- Corporate Safeguarding
- North Powys Office Accommodation Review
- Corporate Leadership and Governance Plan

**Scrutiny Committee B:**

- Corporate Leadership and Governance Plan

**May 2018 – January 2019**

**Health, Care and Housing Scrutiny Committee:**

- Crime and Disorder
- Adult Social Care Improvement Plan
- Dynamic Purchasing
- Social Services Annual Report
- Adult and Children’s Services Performance Reports

- Bannau Camlas Inspection
- CIW Inspection
- Children's Improvement Plan
- Improvement and Assurance Board minutes
- Fostering Inspection Report
- Integrated Youth Support
- Integrated Family Support
- LAC Strategic Framework
- Homelessness Strategy
- Love Where You Live
- Management of Powys Residential Care Homes
- Damp and Thermal Comfort Strategies
- Daytime Activities for Older People

#### **Learning, Skills and Economy Scrutiny Committee:**

- Schools Funding Formula Review – June, August, December and January
- Welshpool Primary Schools and Ysgol Calon Cymru – referral from Cabinet
- Education Improvement Plan – pre-Cabinet scrutiny
- County Farms – pre-Cabinet scrutiny
- Home to School Transport Policy – pre-Cabinet scrutiny
- ALN and Digital Learning – updates
- Schools Asset Management Plan – pre-Cabinet scrutiny
- School Budgets – pre-Cabinet scrutiny
- Provisional Learner Outcomes – Performance monitoring
- Heart of Wales Property Services – Performance monitoring
- Review of pre-school provision - monitoring

#### **February to March 2019**

#### **Health and Care Scrutiny Committee:**

- Children's and Adults Performance Reports
- Management of Powys Owned Residential Homes – progress report

#### **Learning and Skills Scrutiny Committee:**

- Schools Major Improvements Programme
- School Balances – monitoring
- Briefing on Secondary School Standards, Attendance and Exclusions

#### **Economy, Residents, Communities and Governance Scrutiny Committee:**

- Gender Pay Report
- Removing Barriers to Employment
- Feasibility Study (pre Cabinet decision scrutiny)

#### **Appendix 4: Wales Audit Office**

Wales Audit Office (WAO) is the public sector watchdog for Wales. Their aim is to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.

During the course of the 2018-19 financial year, the Auditor General issued 6 reports that included a number of proposals for improvement as outlined below

WAO Overview and scrutiny, fit for the future? (Report issued September 2018)

- 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.

WAO Service User Perspective Review - Housing Services (August 2018)

- 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.
- P2 The Council should work with tenants to strengthen its approach to assisting people experiencing problems with condensation and damp.
- 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.

WAO - Review of PCC Transformation and Efficiency Savings Programme (October 2018)

- Need to increase the scale of change from service improvement to bigger transformational change
- Need to address the organisations track record of under delivery of target savings
- Need to address the gaps in savings plans going forward
- Need to establish clear outcomes for all aspects of the transformation programme
- Need to ensure that the performance measures you are using are the right ones to help drive transformation

WAO Well-being of Future Generations: An examination of 'Improve our Schools Infrastructure'

- Our examination found that: The Council has acted in accordance with the sustainable development principle in setting the 'step' Improve our Schools Infrastructure and is taking account of the five ways of working in the actions it is taking to deliver it.
- The Council has considered how the step will address key problems such as building condition, school budget deficits, poor student offer at sixth form and limited Welsh-medium provision, the problem of surplus places is recognised but the Council needs to be clearer on how the step will prevent this issue getting worse

WAO - Audit of Powys County Council's 2018-19 Improvement Plan (issued July 2018)

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

WAO - Audit of Powys County Council's assessment of 2017-18 performance (Issued November 2018)

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

## Appendix 5: Care Inspectorate Wales

Care Inspectorate Wales (CIW) encourages the improvement of social care, early years and social services by regulating, inspecting, reviewing and providing professional advice to ministers and policy makers.

Since 2017 the Council has been addressing the recommendations of highly critical CIW reports into both children's and adult's social services. These inspection reports highlighted failings, not only in these services, but also in the corporate leadership of the authority. In order to address the recommendations, the council has been focussed on delivering its Childrens and Adults Improvement Plans during 2018-19, both of which have been reviewed in light of further monitoring visits and inspections, as outlined below:

During 2018-19, the council received the following key inspections:

CIW Adults Inspection Report May 2018 - Their report set out six priority recommendations and a further ten where they expect to see improvement in the next 12 months.

- R1 - senior leaders must continue to provide strong political and corporate support for adult services to ensure service improvements;
- R2 - ensure all safeguarding enquiries are undertaken within statutory timescales;
- R3 - ensure clear management oversight and understanding of demand, capacity and prioritisation of workflow within adult safeguarding;
- R4 - strengthen the existing adult services improvement plan;
- R5 - urgently improve systems to ensure the management and prioritisation of allocation, assessment and service delivery to prevent delays in people receiving services.
- R6 - produce a robust workforce strategy including short, medium and long term plans for recruitment and retention of the adult services workforce.

CIW Childrens and Adults services monitoring visit July 2018 – In July 2018 CIW carried out monitoring activity to review the council's progress in delivering its improvement plans for Adult and Children's services. Their fieldwork focussed on safeguarding and quality assurance arrangements.

*“We saw revisions and development of systems of quality assurance in both Adult and Children’s Services. We were aware of the auditing work in Children’s Services and now have increased confidence in the local authority’s capacity and intent to scrutinise process and practice, through your appointment of Quality Assurance Managers and Policy Officers. Additional resource within the Independent Reviewing Officer team has greatly enhanced the challenge role within Children’s Services.*

*We are satisfied management supervision discussions are occurring regularly and this continues to be a priority area. We note a rise in complaints received, which you have responded to by additional resourcing and an increased senior management focus on the quality of initial investigations and staff learning from themes identified.”*

### Areas of concern/for improvement

#### **Quality assurance**

- Managers in Adult Services completed fewer file audits in May and June than expected. This was attributed to capacity issues, which is likely to continue to be a challenge across social services.

#### **Complaints**

- Social Services are receiving 20 complaints per month. Almost half relate to poor communication by social work staff. Senior managers are looking at the quality of stage one investigations, while Complaints Officers provide reports

#### **Supervision**

- Some supervision records showed more attention than others did to professional development and personal issues. It was not usual for actions set by managers to have a timeframe for completion. In two instances, we saw sections of text had been copied and pasted from the previous supervision record.

#### **Partnership working**

- Health representatives believe there have been opportunities for greater collaboration between statutory agencies on strategy documents. Senior managers in the local authority agreed more collaboration would advantage multi agency working.
- Health representatives were concerned they are not routinely involved in the initial stages of safeguarding work and/or informed of outcomes. We saw evidence of this in our review of files.
- Police believed multi agency working in adult safeguarding would benefit from greater contact at a senior management level.

#### **Safeguarding boards**

The work agenda of the local operations groups could ensure all measures to explicate and improve multi agency working in safeguarding are prioritised.

### CIW Childrens Services Inspection October 2018 (CIW Report issued January 2019)

Powys County Council’s children’s services has achieved significant improvements in certain areas, and some improvement in others. There continue to be areas of practice where we have serious concerns.

### **Areas for development**

*The report identifies many areas for continued development; we find the priority areas for action are:*

- *Ensure there is a clear strategic vision to direct overarching planning and the delivery of a seamless service for children and families, incorporating effective early help and family support services alongside statutory intervention.*
- *Clearer focus on improving strategic relationships with partners to increase collaborative working to the benefit of children and families.*
- *Development of a commissioning strategy and social work practice to anticipate children's accommodation needs, reduce the numbers of emergency placements and enable PCC to better fulfil its duty to access a sufficient range of accommodation for looked after children close to home. To minimise the number of children placed without agreed educational provision.*
- *Ensure the safeguarding process incorporates multi-agency information sharing as soon as possible following referral to ensure informed practice and best outcomes for children.*
- *Ensure an immediate multi-agency response to safeguard children at risk of sexual exploitation (CSE).*
- *Ensure investigations of complaints are thorough and timely in accordance with Welsh Government guidelines.*

### *CIW monitoring visit for Adults Services - December 2018*

The council has accepted and welcomed CIW findings following a formal monitoring visit of adult services, undertaken in November and December. During the visit inspectors examined care and support in adult services and found overall improvement and the 'beginnings of a cultural shift towards continuous improvement'. Inspectors said they found good and excellent examples of care and support planning and had spoken to 'highly committed staff'. They also identified areas requiring improvements, particularly within domiciliary care provision, which it said the council needed to improve service consistency.

### Appendix 6: Estyn

Estyn is the Office of Her Majesty's Chief Inspector of Education and Training in Wales. Their mission is to achieve excellence for all learners in Wales through raising the standards and quality in education and training. Estyn has a wide range of statutory inspection and reporting responsibilities which include inspection of all publicly funded education and training across Wales.

### *Estyn Improvement Conference April 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”.*

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 commenced in September 2018.

## Appendix 7: Internal Audit

Internal Audit is subject to the requirements and principles of:

- Public Sector Internal Audit Standards in the UK - 2017
- CIPFA Local Government Application Note – 2013

### Reviews

An Internal Audit Charter was agreed by the Audit Committee in 2018/19 that defines the purpose, authority and responsibility in terms which are consistent with the professional standards.

Internal Audit undertook a programme of risk-based work, formulated using an approved planning strategy, to review the council's internal control environment.

Each audit undertaken contained an opinion on the control framework and agreed actions by Management to correct the areas of risk identified. Internal Audit undertake a programme of follow-up reviews on high risk areas.

Internal Audit routinely considers the likelihood of fraud occurring within the systems being audited. Where necessary, it undertakes investigatory work in respect of fraud and corruption which can result in a Police referral and/or disciplinary action. The Council has a zero tolerance attitude towards fraud and corruption.

In accordance with the recognised standards, the Head of Audit is required to give an opinion on the overall internal control environment based on the work undertaken throughout the year. This report is presented to the Audit Committee annually.

Details of the Internal Audit's Annual opinion are set out below.

SWAP Annual Report and Opinion 2018-19:

The Annual Report gives the opinion of the Head of Internal Audit on the adequacy and effectiveness of internal control. Opinions are a balanced reflection, not a snapshot in time. Information to support this assessment is obtained from multiple engagements and sources. The results of these engagements, when viewed together, provide an understanding of the Council's risk management processes and their effectiveness.

The opinion is based on the following sources of information:

- Completed Audits in 2018/19
- Observation from any advisory/ investigative work

- Material risk where management has not accepted the need for mitigating action
- Follow up of previous audits
- Notable changes to the organisation's strategy, objectives or organisational structure

Over the year, the Internal Audit Team have found Senior Management of Powys County Council to be generally supportive of Internal Audit findings and responsive to the recommendations made. In addition, there is a good relationship with Management whereby they feel they can approach the Head of Audit openly in areas where they perceive potential problems. However, during the course of 18/19 the Council transitioned to a new Senior Management structure that resulted in periods when the key leads for audit projects for became unavailable for a significant period. Whilst the audit team tried to minimise any disruption, the managerial absence and lack of continuity impacted on the ability to deliver some of the audit assignments.

81% of completed audits received Substantial or Reasonable opinions in relation to the control environment. Of the assignments completed in 2018/19 (57 in total, there are 7 areas that have been awarded partial or No assurance in relation to their control environment (none of them Fundamental Systems). The findings within these audits with moderate and major risk exposure have, on the whole, been appropriately addressed by management. Any outstanding weaknesses in the governance, risk and control framework will continue to be followed up by Internal Audit as part of the 2019/20 Plan and by the Internal Audit Working group. Further details of audits with Partial Assurance opinions can be found below.

Generally, the follow-up work confirms the responsive nature of management in implementing agreed recommendations to mitigate exposure to areas of significant risk. Follow up audits completed in the year have not identified any significant issues regarding non-implementation of recommendations.

The Council exists in a complex and ever-changing environment. As result, the Internal Audit work programme has remained flexible to ensure that new and emerging areas are undertaken such as special investigations and consultancy as directed by the Council.

There were no material concerns in relation to fraud risk and there have been no significant losses identified in internal audit investigations in the year.

The summary of outcomes of audit work for 2018/19 were:

- mostly medium risk rated weaknesses identified
- isolated high rated risks identified
- no critical weakness identified
- broadly satisfied with Managements approach to resolving significant issues.

**Internal Audit cannot review all risks and assurances relating to Powys County Council and cannot provide absolute assurance on the internal control environment. However, based on the risk based work undertaken, I am able to offer annual opinion of:**

**REASONABLE ASSURANCE: The control framework is adequate and controls to mitigate key risks are generally operating effectively, although a number of controls need to improve to ensure business objectives are met.**

For those audits which have reached report stage through the year, none have been assessed as 'High' i.e. No Assurance.

Those risk that are significant (Partial Assurance) have been reported to the Audit Committee and have been tracked by the Internal Audit Working Group.

The following final audits received a Partial assurance opinion in respect of their control environments in 2018/19. These audits have been or will be reviewed by the Internal audit working group for follow-up.

<b>Audit Name</b>	<b>Key Issues</b>
Crickhowell High School	Ineffective budget management and health and safety issues.
Llanfyllin Primary School	Governance records, financial delegation, school funds, payments, banking and health and safety.
Members Travel Expenses	Training and awareness of the system and policies. VAT receipts.
Officers Travel Expenses	Failure to delivery corporate objective of reducing mileage. VAT receipts.
Risk Management Follow-up	Failure to deliver key aspects of the revised risk management strategy.
Section 33	Failure to have agreements in place to support past and current joint service. Partnership board not ensuring agreements are in place.
Software Licensing	The Council do not reconcile the software it has on its hardware for non-Microsoft products. Unapproved installations occur that may be in breach of the legislation.

## Glossary:

ACRF	Annual Council Reporting Framework
AGS	Annual Governance Statement
CIP	Corporate Improvement Plan
CIPFA	Chartered Institute of Public Finance and Accountancy
CIW	Care Inspectorate Wales
CLGP	Corporate Leadership and Governance Plan
CSE	Child Sexual Exploitation
EMT	Executive Management Team
ERW	Education through Regional Working
FSP	Finance Scrutiny Panel – now the Finance Panel from January 2019 (FP)
GDPR	General Data Protection Regulations
HMI	Her Majesty's Inspectorate
ILM	Institute of Leadership and Management
JCG	Joint Governance Committee (of the Wales Pension Partnership)
JMT	Joint Management Team (Powys County Council and Powys Teaching Local Health Board)
JPB	Joint Partnership Board
CLA	Children Looked After
LDP	Local Development Plan
LGPS	Local Government Pension Scheme
MTFS	Medium Term Financial Strategy
PDR	Personal Development Review
PMAQAF	Performance Management and Quality Assurance Framework
PSB	Public Service Board
SIRO	Senior Information Risk Owner
SOLACE	Society of Local Authority Chief Executives
SWAP	South West Audit Partnership
WAO	Wales Audit Office
WFG	Well-Being of Future Generations Act