



WALES **AUDIT** OFFICE
SWYDDFA **ARCHWILIO** CYMRU

Annual Improvement Report

Isle of Anglesey County

Council

January 2011



Annual Improvement Report by the Auditor General for Wales

This report is written by the Wales Audit Office on behalf of the Auditor General for Wales. (An explanation of what the Auditor General does is at Appendix 1). It is a new report that he is required to publish about how well Welsh councils are improving their services. With help from other inspectors like Estyn (for education) and the Care and Social Services Inspectorate for Wales, we have brought together a picture of what the council is trying to achieve; how it is going about it; and what it needs to do to improve its approach to improving services.

This Annual Improvement Report sets out that picture and each year we will produce a report to let you know what progress Isle of Anglesey County Council (the Council) has made. We have not covered all the services the Council provides. We have focused on a small number of things, especially those things that the Council has said are its priorities for improvement.

We want to find out what you think of the services the Council is providing in your area and will be giving you an opportunity to comment in the future. In the meantime we would like to know whether this report gives you the information you need, and whether it is easy to understand. You can let us know your views by emailing us at info@wao.gov.uk or writing to us at 24 Cathedral Road, Cardiff CF11 9LJ.

The Wales Audit Office study team that assisted in preparing this report comprised Huw Lloyd Jones and John Roberts under the direction of Alan Morris.

This report has been prepared by the Wales Audit Office on behalf of the Auditor General for Wales as required by the Local Government (Wales) Measure 2009. The Auditor General for Wales assesses the compliance of Welsh improvement authorities (county councils, county borough councils, national park authorities and fire and rescue authorities) with the improvement requirements of Part 1 of the Local Government (Wales) Measure 2009.

The Auditor General for Wales and his staff together comprise the Wales Audit Office. For further information about the Wales Audit Office please write to the Auditor General at 24 Cathedral Road, Cardiff, CF11 9LJ. Telephone 029 2032 0500, email: info@wao.gov.uk, or see website www.wao.gov.uk.

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What kind of area is Anglesey?

- 1 The Isle of Anglesey has an area of just over 700 square kilometres, and comprises a mostly rural landscape. Its 200 kilometre coastline includes a wide variety of sandy beaches and rocky coves that attract a significant tourist industry in the summer months. The A55 expressway forms one of two crossings that connect the island to the mainland and enables passengers and freight to travel rapidly to and from the port of Holyhead.
- 2 Based on the latest estimate (2009), the population of Anglesey is about 69,000. There are four main towns, the largest of which by far is Holyhead, with a population of about 13,500. Anglesey is more sparsely populated than most local authorities in Wales but all its towns and villages are easily accessible within half an hour or less from the Council's administrative centre in Llangefni.
- 3 The age profile of Anglesey's population shows that 21.4 per cent of the population is aged 65 or over, the third highest proportion of older people among local authorities in Wales. In contrast, only 17.9 per cent of the population are children aged 0 to 16; this is below the average for Wales. Over 60 per cent of the island's population are able to speak Welsh, the second highest proportion among local authorities in Wales.
- 4 In 2008 the employment rate among people of working age in Anglesey was 69.2 per cent, slightly below the Wales average. Between 2001 and 2008 the employment rate was similar to that for Wales as a whole. However, since 2008, there have been major job losses, particularly as a result of the closure of a large industrial employer in Holyhead.
- 5 In 2009, average weekly earnings in Anglesey stood at £493, below the Wales average of £506. There are pockets of social and economic deprivation, with five Communities First partnerships established.

geographic area
700 km²
//////////

population
69,000
//////////

17.9% aged 0-16
21.4% aged >65
//////////

Is the Isle of Anglesey County Council well managed?

- 6 Managing such a large organisation with its diverse range of services is very complex. In September 2010 the Auditor General produced a report that gives quite a lot of detail on how the Isle of Anglesey County Council (the Council) is organised and managed. The things we told the Council are set out in [Appendix 3](#). If you want to read the whole Corporate Assessment Report you can find it on the Council's website or on the Wales Audit Office's website at www.wao.gov.uk.
- 7 The overall conclusion of that report was that the Council has responded positively to Ministerial intervention but much work remains to implement plans and then embed the modernisation of its corporate arrangements and to assure the sustainability of recovery.
- 8 In other words, we found that the Council had made significant progress in addressing the recommendations of the 2009 Corporate Governance Inspection, which led to intervention by the Minister for Social Justice and Local Government. However, some of the plans will take time to put in place throughout the Council in a way that makes sure that the problems of the past do not resurface once the intervention is over.
- 9 We reported in the Corporate Assessment that many of the foundations necessary to tackle longstanding weaknesses were in place. The Interim Managing Director, who began his work in October 2009, had made a number of necessary changes, particularly in relation to the way in which councillors conduct their business. However, progress had not been smooth; changes in political loyalties led to a weakening of the Council Leader's position and to a potentially fragile coalition of four political groups taking control. These changes slowed down progress in, for example, establishing new and more effective scrutiny committees. We reported that there was therefore some doubt about the sustainability of the improvements.
- 10 We also reported that the Council had a good track record of working with partners in the public, private and voluntary sectors, but that, like many other councils, more work was needed to fully understand the costs and benefits of working in partnership. The Council had made a good start on determining its priorities, and had used a series of public meetings to help to formulate them. However, we reported that there was much more to be done to increase the involvement of citizens in the Council's work and to increase their awareness of the role of the modern councillor.
- 11 The Council had introduced a new business-planning framework in order to make sure that all services played their part in delivering its priorities. However, we reported that performance management and risk management were still important aspects that needed to be improved. Work had begun to redefine the role of the Human Resources service so that it might make a bigger contribution than in the past in developing the skills of managers.
- 12 Since we produced our report, there has been further progress. Structural changes at senior management level are beginning to increase the capacity of Corporate Directors to focus on strategic issues while increasing the accountability of heads of service for operational matters.
- 13 There is greater clarity than before in terms of what the Council expects from managers at all levels. In particular, the Council expects managers to take greater responsibility for managing performance, finance and staff. Correspondingly, the work has begun to transform services such as Finance,

Human Resources and ICT so that they support managers in their work. The Council has commissioned external reviews of all three functions since we issued our Corporate Assessment and is acting in response to the first two. The ICT review has yet to take place.

- 14 There have also been improvements in performance management, though the Council acknowledges that more remains to be done. The corporate focus on business planning has ensured that all plans now address the Council's priorities, and the use of Ffynnon software is helping the Council to focus more clearly than before on its performance. A senior manager has analysed all the 2010-11 business plans, identifying those more complex areas in which services need to work together in order to make improvements. The Council is introducing project management techniques to large numbers of staff through an extensive training programme so that it can tackle these more complex issues more effectively than in the past. The Council is aware that it does not have the resources to be able to tackle all the projects that have emerged from its planning and is prioritising accordingly.
- 15 The content of the Council's website has improved in recent months. The 'home page' now provides an easily accessible range of information about developments within the Council as well events and other information of more general interest to citizens and visitors alike. The introduction of a section that contains the papers and agendas of forthcoming Council committee meetings is a development that improves significantly the public's ability to take an interest in the Council's democratic processes. Some service-specific sections of the website nevertheless still contain plans and documents that are too old to be relevant.
- 16 The work of training and developing councillors has continued with the support of the Welsh Local Government Association. A new scrutiny committee structure is in place, supported by much greater officer capacity than before. There is more work to be done before the Council's scrutiny function becomes effective in holding the Executive to account. However, there are promising signs in some committees that members' knowledge and understanding are developing, enabling them to ask pertinent questions during committee meetings.
- 17 There have nevertheless been setbacks since we issued the Corporate Assessment in September 2010. Staffing changes in the finance department contributed to delaying the preparation of the Council's accounting statements for 2009-10. As a result, the Council was unable to approve the accounts by the statutory deadline. This represents a significant lapse in governance. The Council's auditors appointed by the Auditor General have given their opinion on the Council's accounts. They concluded that the Council's accounting statements for 2009-10 presented a true and fair view of its financial transactions. However, the auditors identified a number of important issues while auditing the accounts and the accounts were not approved by the Council by 30 September 2010 as required by accounting regulations. Arrangements are in hand for the Council to discuss with the auditors how these problems can be avoided in future.
- 18 The annual audit letter, which provides information regarding the accounts, use of resources and the Council's Improvement Plan is included in this report as **Appendix 4**. There is more information about people's rights in relation to council accounts in the Wales Audit Office leaflet, *Council accounts: your rights*, which you can find on our website at www.wao.gov.uk.

- 19 Changes in the allegiances of some councillors in June 2010 led to the formation of a new ruling alliance of four political groups. We reported in our Corporate Assessment that this alliance was fragile and that its formation had undermined the Council Leader's position. Since then, the Leader has announced that he will stand down in May 2011. The political discussions and dealings about his successor have already begun. This creates a significant risk that personality politics and the pursuit of power will once again deflect councillors and senior managers from the real issues that face the Council and the people it serves.
- 20 We referred in our Corporate Assessment to the fact that there were doubts about the sustainability of the improvements that the Council has put in place in recent months. We still have those doubts. We think that it is very important that the Council maintains a clear focus on the ambitious programme of work it has set itself for 2010-11, and that neither councillors nor officers are distracted from this. The Council's leaders also face a significant challenge to set a budget for 2011-12 that enables the recovery programme to continue.
- 21 Since we produced the Corporate Assessment the pressure has grown on all public services to make the very best use of all their resources. Due to the financial climate, almost all public services face reductions in funding. Revenue funding is the money that councils spend running and managing their services. Isle of Anglesey County Council will see a reduction of around £1.6 million (1.7 per cent) in the revenue funding it gets from the Assembly Government for 2011-12. Once inflation is factored in, that means a real terms¹ cut of around £3.4 million (3.6 per cent). Indicative Assembly Government figures show further real terms reductions in the Council's revenue funding for 2012-13 and 2013-14.
- 22 Capital funding is the money that councils spend on infrastructure, for example new buildings and new equipment. The total sum of capital available to councils will fall by 14 per cent in 2011-12 (a real terms cut of 18.5 per cent). There are no official figures for local government capital spending beyond 2011-12 but it is likely to be in line with a general reduction in the Assembly Government's capital spending, which will be cut by around 34 per cent (around 40 per cent in real terms) between 2010-11 and 2013-14.
- 23 The Council's medium-term financial planning has developed well in recent months. The Affordable Priorities Programme identifies that the Council needs to find savings of about £10 million over three years, beginning in 2011-12, and based on a 4.3 per cent increase in Band D Council Tax. Council Tax levels in Anglesey for 2009-10 and 2010-11 were fourth lowest in Wales. Proposals so far identify about £7 million of the necessary savings, and each of the 41 proposals is supported by an outline project plan.
- 24 The Council has arranged a series of meetings during January 2011 to gauge public opinion about its proposals and about where the remaining savings might be found. This represents a further step forward in the Council's engagement with its citizens. Nevertheless, much work remains to finalise and then embed the Affordable Priorities Programme within the 2011-12 budget, and to implement in full the projects that will realise the required savings.
- 25 The recent decision to explore a significant increase in the level of collaboration between the Council and neighbouring Gwynedd Council offers the potential for further cost reduction and increased service resilience.

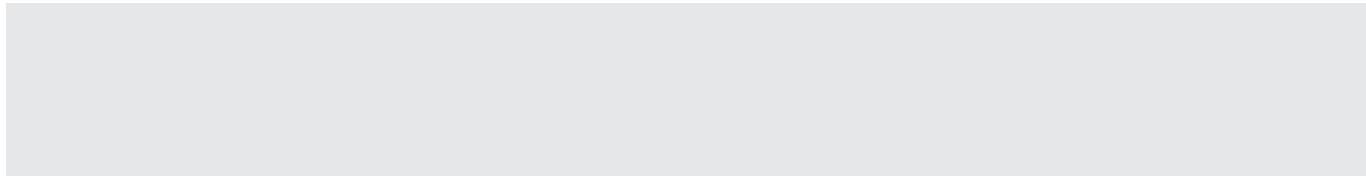
¹ Real terms means the effect of inflation is taken into account. There are lots of different measures of inflation. The figures used for public sector budgets come from the Treasury's GDP deflator series.

Does the Isle of Anglesey Council know what it needs to do to improve?

- 26 The Assembly Government requires all councils to publish their plans for improving what they do and how they do it – their Improvement Plan. They must also publish a list of the main things they are aiming to improve each year – their improvement objectives.
- 27 We have looked at how well the Council’s plans will support its efforts to do better and if it could afford to pay for these improvements. We reported in the Corporate Assessment that the Council had, for many years, failed to establish a clear and consistent policy direction to guide its decision-making.
- 28 For 2010-11, the Council has produced and published its Corporate Business Plan, focusing on five strategic priorities. These are:
- enhance the reputation of the Council and island;
 - protect and develop the island’s economy;
 - build and support sustainable communities;
 - promote healthy, safe and fair communities; and
 - businesslike and affordable services.
- 29 For each of the five strategic priorities, the Council has set out in the Corporate Plan between three and six commitments (25 in all) outlining what it will do to support the delivery of the priorities. The Plan then develops each of the commitments further, setting out a total of 34 improvement priorities. The Council has adopted these 34 priorities as its improvement objectives, as required under the Local Government Measure. For each improvement objective, the Council has set out in the Corporate Plan:
- who has lead responsibility for its delivery;
 - the timescale for the work; and
 - an outline of the desired outcomes.
- 30 We show in **Exhibit 1** an example of one of the Council’s improvement objectives, along with the desired outcome. **Appendix 5** shows all of the improvement objectives.
- 31 We think that the Council’s improvement objectives are legitimate; they address one or more of the seven criteria that the Assembly Government has set out in its guidance. Given the issues that the Council faces, it is not surprising that a fairly high proportion of the improvement objectives, if

Exhibit 1

Strategic priority	Improvement objective	Desired outcome
Build and support sustainable communities.	Continue to focus on the provision of homelessness services due to unpredictable demand.	Sufficient provision to meet demand.



delivered, are most likely to improve the Council's strategic effectiveness rather than resulting directly in demonstrable improvements in the quality and availability of services. Relatively few of the improvement objectives are phrased in way that shows explicitly that the Council is focused on improving outcomes for its citizens.

- 32 The Corporate Plan represents the outcome of a comprehensive analysis of what the Council needs to do. It summarises within it the remaining elements of the Council's Recovery Plan in response to the 2009 Corporate Governance Inspection, its medium-term financial planning, and its more outwardly-focused priorities. In publishing the plan, the Council has taken a significant step forward in improving the transparency of its intentions and its accountability for their delivery. The volume of work included within the plan represents a very ambitious programme and, understandably, the timescale for delivering some objectives extends well beyond 2010-11.
- 33 We have referred earlier in this report to the Council's developing framework of business planning. This helps senior managers to make sure that the work of each individual service contributes to achieving the Council's priorities. It also helps managers to draw together common themes so that the work of different services can be co-ordinated more effectively than in the past.
- 34 We wanted to be sure the Council is clear how people will be better off if it improves in the ways it intends to. This is a weaker aspect of the plan. As published, the 'desired outcome' for each improvement objective offers little indication of the scale of improvement that the Council hopes to achieve. It will be difficult for the Council and its citizens to judge whether or not the objective has been achieved.
- 35 Each council must publish its improvement objectives as soon as practical after the beginning of April each year. While the work of preparing the Corporate Plan began early in 2010, the Council did not adopt the plan and the improvement objectives contained in it until 5 July. We think that the Council should aim to agree its 2011-12 improvement objectives before the end of May 2011.
- 36 The Council placed its Corporate Plan in a prominent position on its website and made clear that copies were also available in Braille and on tape. However, we think that the Council should, in future, consider ways of further publicising its annual improvement objectives using media such as its newsletter or a local newspaper as well as its website.
- 37 We also looked at how well the Council involved local people and those that work with and for it, in deciding what it should make a priority. We reported in the Corporate Assessment that, early in 2010, the Executive at that time held a number of 'road shows' to help determine the Council's priorities for 2010-11. The five priorities discussed at these meetings now form the basis of the Council's Corporate Plan. This form of engagement with citizens represents a further step forward, but the Council acknowledges that more work is needed. The promotion and development of the Council's engagement with citizens and communities is one of its improvement objectives. At a time of rapid change and high levels of demand on staff, it is important that their views also contribute to shaping the Council's priorities.
- 38 Every Council needs to have good information and use it well if it is to provide good services and make them even better. The Council's appointed auditors concluded that the Council's Performance

Review, published in October 2010, meets statutory requirements and provides a balanced view of its performance in 2009-10. However, the appointed auditors expressed reservations about the accuracy of two of the Council's National Strategic Indicators² in 2009-10; these related to attendance levels in secondary schools and to the energy efficiency of public buildings.

- 39 As in the past, the Council's performance as measured by the National Strategic and other indicators in the national performance measurement framework is generally positive. The Council's performance improved during 2009-10 in half of the 148 indicators. In 30 per cent of these indicators, the Council's performance was better than in three-quarters of other councils in Wales. We will refer in more detail to specific areas of performance later in this report.
- 40 As well as providing a general analysis based on the national performance measurement framework, the Performance Review of 2009-10 also provides a concise evaluation of progress in certain specific areas previously identified as risks. Where relevant, these evaluations refer to specific performance indicators, showing the Council's performance in 2008-09 as well as in 2009-10. They also include the target for 2009-10, showing whether these targets were achieved or not.
- 41 These evaluations offer a useful model for 2011, when the Council will be required to report progress against its improvement objectives. In order to do so, the Council needs to decide which indicators and other evidence it will use to judge its progress, and, where appropriate, to set suitable targets and establish baseline data. Improving its project and performance management arrangements is one of the Council's 34 improvement objectives.

² The National Strategic Indicators form part of the performance measurement framework of nationally agreed and defined performance measures for local authorities. The framework provides a mixture of strategic and operational measures across a range of local authority service/policy areas. Local authorities must report their performance against the National Strategic Indicators each year.

Is the Isle of Anglesey County Council serving people well?

- 42 Through the Auditor General's Improvement Assessment we hope to gradually build a picture of how well the Council is serving local people. In order to do that, each year we will examine the Council's services and some of their improvement objectives as they relate to three important aspects of life on Anglesey. We think that together, these aspects cover the main things that councils do. They are:
- helping to support people in need;
 - helping people develop; and
 - helping to create a safe, prosperous and pleasant place to live.
- 43 In this year's assessment we have looked, in particular, at how the Council is doing so far on two of the commitments it has made in its Corporate Plan and the improvement objectives that relate to those commitments. The Council has said that it will:
- collaborate to meet the housing needs of the island; and
 - develop skills capacity to meet the needs of the labour market.
- We will look at other improvement objectives the Council is setting itself in our report next year.
- 44 We have also discussed the Council's progress with the Welsh Language Board (the Board). The Board works with councils to help them develop their statutory Welsh Language Schemes that outline the way in which they provide services to the public in Welsh. The primary responsibility for the range and standard of services rests with the authorities who provide them, working in accordance with the statutory framework and guidelines of the Board. Every council is expected
- to provide the Board with an annual monitoring report that explains how its scheme has been implemented. This allows the Board to offer advice as to how a council might improve its local arrangements. The Board also undertakes its own reviews to assess the provision of Welsh language services and to promote improvement.
- 45 The Council submitted its annual monitoring report on the implementation of the Welsh Language Scheme to the Board outside the initially agreed timescale, raising concerns about the Council's monitoring arrangements. The Board found that a recruitment exercise for a managerial post did not follow the policy outlined in the Welsh Language Scheme and that it raised questions about the consideration given to the Welsh Language Scheme within the Council's wider recovery process. The Council conducted an internal review of the recruitment process and recommended a number of actions that were agreed with the Board. They include a commitment to adopt a Language Skills Strategy by January 2011 and a more robust monitoring process. The Council has reflected these commitments in one of its improvement objectives.
- 46 The Board has found that the Council's websites, electoral documentation and statutory and recruitment adverts comply with the Welsh Language Scheme. The Council will also participate in a project that aims to increase the use of Welsh within the workplace.

Is the Isle of Anglesey County Council supporting people in need?

- 47 Councils are responsible for providing a number of services that support vulnerable people. The largest of these services is the provision of social care for vulnerable children and adults and practical help to enable people with disabilities to live independently. The Council recently strengthened senior management in social services by appointing heads of children's and adult services.
- 48 The role of the Care and Social Services Inspectorate in Wales (CSSIW) is to make professional assessments and judgments about social care, early years and social services and so encourage improvement by the service providers. It works on behalf of Welsh Ministers, but there are a number of safeguards in place to ensure its independence. Under new legislation there is a new framework in place for local authority social services inspection, evaluation and review.
- 49 Directors of social services are required to produce an annual self-assessment report on how well services are being delivered. The CSSIW will then undertake a review and analysis of evidence underpinning the report, including evidence from other regulators and inspectors. This analysis will result in an individual inspection and review plan for each council. The CSSIW's analysis, and the inspection and review plan, will be set out annually in a published letter.
- 50 2009-10 is the first full year of the new framework with the purpose being to establish a baseline of current performance. We have summarised the key messages of the letter issued in December 2010 below.
- 51 The Council has done well in improving its performance in relation to assessments for assistive technology and has performed well in the timely commencement of domiciliary care packages as well as the delivery of aids and equipment following the creation of the care plan. The rate per 1000 adults aged 75+ where there was a delayed transfer of care from hospital to the community, at 1.2 days, is also an area of good performance.
- 52 The CSSIW inspection of adult protection identified effective management of referrals and a strong commitment to continue to safeguard adults under care management arrangements, following the completion of protection of vulnerable adults (POVA) procedures. This approach supports a good transition into services and continuity of care.
- 53 The overall conclusions of the CSSIW inspection of adult protection were that there was an effective response to allegations of abuse, with procedures compliant within time scales. Policies and procedures were seen to be understood by staff, and management support was evident. Partnership working relationships, at operational level, were seen to be effective. However the inspection found that improvements were required in both the recording of activity and in the consistency of recording, particularly in relation to risk assessment management. The effectiveness of formal structures, such as the Area Adult Protection Committee and its ability to enable the Council to exercise leadership in partnerships with statutory agencies, was unclear. The Council's progress in addressing this important aspect of the adult protection will be subject to ongoing monitoring and review.

- 54 In adult services, the Council reports that it is able to employ an appropriately qualified and trained workforce, with the team maintaining a healthy balance between newly qualified and well experienced staff. However some difficulties have been encountered with the recruitment of adult mental health professionals.
- 55 In children's services, the 2009 CSSIW Inspection of Children's Safeguarding Arrangements found that the referral and allocation system worked well in terms of timely decision making and allocation of child protection cases. However it also identified that the Council needed to improve the management of the volume of referrals within children's services, the application of eligibility criteria, case recording, and the timing and quality of assessment. The 2009-10 performance information for children's services shows a number of important areas which the Council needs to improve. These include the percentage of referrals where a decision was made within one working day, the percentage of referrals that were allocated to a social worker for assessment and the timeliness of initial and core assessments.
- 56 Staff interviewed during the CSSIW review of Children's Safeguarding stated that the policies and procedures were current and accessible, as were training and management support but inspectors found that policies and procedures were not always consistently applied and improvement in these areas of practice was required.
- 57 Performance information relating to children's care management and review provides a mixed picture. The Council performed well in relation to the number of first placements that began with a care plan in place, plans for permanence in place in accordance with regulations, and in the allocation of qualified social workers to looked-after children and those on the child protection register. However, although the allocation of children in need cases is above the Welsh average, there is still room for improvement in this important area of work.
- 58 There is a stated commitment to provide all children's services bilingually and the Council makes continued efforts to provide a service in the service user's chosen language. The Council recognises that, in 2009-10, the Children and Families team experienced difficulties in providing preventative services because the team was required to support reduced capacity in the Council's duty system.
- 59 The CSSIW Review of Children's Safeguarding Arrangements found that there were significant difficulties in maintaining a fully staffed and sufficiently experienced and qualified workforce. In addition, the prolonged temporary arrangements whereby staff were 'acting up' for long periods of time were having an adverse effect on staff morale.
- 60 The Council is addressing performance shortfalls via the Children's Improvement Board. The board was established in 2009-10 and has supported an increase of resources for the Child Assessment Team. Additional resources include the addition of a senior practitioner post and the involvement of a consultant as well as increased business support. The board has also supported consultations with stakeholders about service access and eligibility criteria.

- 61 Local authorities in Wales took an average of 349 days to deliver a Disabled Facilities Grant in 2009-10. The Isle of Anglesey County Council took 387 days on average, but its performance in 2009-10 improved significantly on the previous year.
- 62 The Council also provides a range of other services that support people in need. It is responsible for administering Housing and Council Tax Benefits and for providing accommodation for those who may find themselves homeless.
- 63 The number of new claims and changes to existing claims for Housing Benefit or Council Tax Benefit increased substantially in 2009-10. However, the Council made a great improvement in the speed with which it processed these changes during the year, reducing the average time taken from 17.1 days in 2008-09 to 11.4 days in 2009-10. Nevertheless, this rate remains a little slower than the average of 10.1 days for Wales as a whole. The Council has set a new target of 12 days for 2010-11, a slightly slower rate for processing claims than it achieved in 2009-10.

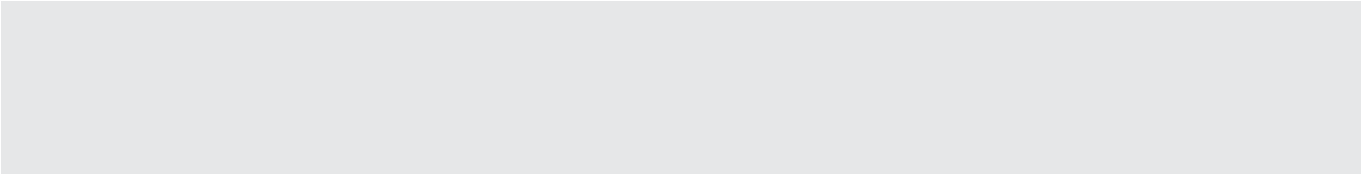
Is the Council improving the way in which it meets the housing needs of the island?

- 64 The Council has said in its Corporate Plan that it will 'collaborate to meet the housing needs of the island'. Three of its improvement objectives support this commitment, as set out in [Exhibit 2](#).
- 65 The Council has decided to retain its stock of social housing and therefore remains responsible for improving tenants' homes so that they meet the Welsh Housing Quality Standard by 2012. The Council has collated data on the condition of its housing stock and knows, in broad terms, the amount of work needed to be carried out on its stock to bring it up to the required standard. In its role as a landlord, the Council has won an award for 'delivering customer driven services'.

Exhibit 2

Improvement objective	Desired outcome
Continue to improve the quality of the Council's housing stock in order to meet WHQS requirements.	Quality of housing stock improved.
Continue to focus on the provision of homelessness services due to unpredictable demand.	Sufficient provision to meet demand.
Delivery of the affordable housing programme with partner organisations.	Affordable homes to meet local need.

- 66 However, as set out in its Corporate Plan, this improvement objective provides citizens with no information about the scale of improvement that the Council intends to achieve during 2010-11. The plan includes some performance targets for the year, but none relate to this improvement objective. Citizens will therefore be unable to judge whether or not the Council has achieved what it set out to do.
- 67 The Wales Audit Office is currently carrying out a study of all Welsh councils which will, among other things, provide an up-to-date assessment of the progress that is being made towards achieving the Welsh Housing Quality Standard. We will set out the results of this study in next year's report as part of our assessment of the Council's progress in meeting this improvement objective.
- 68 The Council's performance in addressing the needs of the homeless is mixed. It has had increasing levels of success in preventing homelessness, with an above average and improving performance over the past few years. Homelessness was prevented for at least six months for 72 per cent of all potentially homeless households, compared to a Wales average of 60 per cent. However, once homelessness occurs, performance indicators suggest that the Council is slow to respond. The percentage of homeless presentations decided within 33 working days fell slightly from 99.3 per cent in 2008-09 to 94 per cent in 2009-10.
- 69 Although the number of families with children in bed and breakfast accommodation fell from 24 in 2008-09 to seven in 2009-10, the average number of days spent in that accommodation increased from 44 days to 51 days, which is the longest in Wales. Homeless people (including families with children) spend much longer in temporary accommodation than people in other parts of Wales. In 2009-10 all homeless households in Anglesey spent 267 days in all forms of temporary accommodation against the Wales average of 99 days.
- 70 Analysis within the Council's review of its performance shows that the Council is well aware that some aspects of its work in providing services for homelessness people need to improve. The analysis shows a good understanding of the issues underlying the performance data. It explains, for example, that the nationally-agreed definition of one performance indicator excludes from the Council's figures the 150 families that receive good quality temporary accommodation through its private sector leasing scheme. The Council has chosen an appropriate subset of the available indicators available to monitor its progress in preventing homelessness and meeting the needs of those who become homeless.
- 71 However, the Council's improvement objective relating to homelessness is not specific enough. As with other improvement objectives, the Council has not used the data it has available to set out where it is now in relation to homelessness and where it hopes to be at the end of 2010-11.
- 72 The Council has produced an Affordable Homes Delivery Statement which is supported by a sound analysis of local housing needs. The Council has set out the number of affordable homes that are needed over the coming decades and is, at a strategic level, committed to working with partners to address this. The Council expects housing developers to ensure that at least 30 per cent of homes in any development are classed as affordable homes. New affordable housing units provided during 2009-10 as a percentage of all new housing units provided during the year



increased from 13 per cent in 2008-09 to 24 per cent in 2009-10, which is slightly better than the Wales average of 23 per cent.

- 73 The Council's improvement objective relating to the provision of affordable homes is again too general. We acknowledge that there are many factors outside the Council's control that may influence the availability of affordable homes during the year, but citizens need more information about the outcomes that the Council anticipates and the extent to which this might satisfy the 'local need', as stated as part of the improvement objective.
- 74 A Wales Audit Office national study identified concerns across North Wales in response to the housing needs of adults with mental health problems. We found that some councils, including Anglesey, operated exclusion policies that could result in vulnerable people with mental health problems not being able to access accommodation. The report found that health and social care organisations, in particular, need to work together better to help people to access services.

Is the Isle of Anglesey County Council helping people to develop?

- 75 Councils are responsible for ensuring that there are enough school places for both Welsh and English-medium education. Councils and their schools share the financial responsibility for making sure that school buildings are in good condition and that their facilities are up to date. Councils are also responsible for monitoring the performance of schools, intervening where necessary to ensure that the standards that pupils achieve are good enough. They also assess and make provision for pupils with special educational needs and provide a range of other functions that support schools.
- 76 Estyn, Her Majesty's Inspectorate for Education and Training in Wales, looks at how well councils are helping children and young people develop knowledge and skills. They carry out inspections of schools, further education colleges and training organisations as well as making judgements on how well councils support these education providers. Estyn, through its regional teams, analyses performance information, visits schools and has regular meetings with directors of education to come to a view about the role of the Council and about education performance in the area.
- 77 Estyn and the Wales Audit Office inspected the Council's education services for children and young people in November 2009. They found that the Council's support for school improvement had good features and no important shortcomings. The inspection report praised the quality of the relationship between the Council and its schools. The standards achieved by pupils in primary and secondary schools had shown modest improvement over the five years 2005 to 2009, but the report noted concern about the standards achieved by seven-year-olds and judged that the pace of improvement in outcomes was slow for pupils of all ages compared to other areas of Wales.
- 78 Seven-year-olds performed much better in 2010 than in previous years, with 83.2 per cent of pupils achieving the Core Subject Indicator³ compared with 81.6 per cent across Wales as a whole. The performance of eleven-year-olds also improved compared with 2009, with 79.9 per cent of pupils achieving the Core Subject Indicator. Only six other councils achieved better results.
- 79 In secondary schools, the performance of 14-year-olds improved by more than the Wales average, with 65.6 per cent of pupils achieving the Core Subject Indicator compared with 63.7 per cent across Wales. Among 16-year-olds; 62 per cent of pupils achieved the Level 2 threshold⁴ in 2010, a little below the Welsh average of 63.7 per cent. Taking account of the level of free school meals⁵ in Anglesey secondary schools, pupils have usually achieved standards that are similar to the benchmarks that the Assembly Government calculates each year on most indicators.
- 80 All five Anglesey secondary schools have sixth forms. These schools are beginning to work together and in partnership with the local Further Education College to offer an increasing range of A level and vocational qualifications. The 'average wider points score' (that takes account of all the accredited qualifications students achieve) in Anglesey schools was the highest of all councils in Wales in 2009 and fourth highest in 2010.

³ Pupils achieve the Core Subject Indicator when they achieve the expected National Curriculum levels for their age in mathematics, science and English or Welsh (first language).

⁴ The Level 2 Threshold is a volume of qualifications on the National Qualifications Framework that is equivalent to five GCSEs at grades A*-C.

⁵ The level of free school meals is a proxy for the level of deprivation which, in turn, is closely linked to levels of attainment in schools.

- 81 The 2009 Estyn inspection reported that good features outweighed shortcomings in the Council's provision for pupils with additional educational needs. Pupils with additional educational needs generally achieve well in schools but the Council continues to provide individual support for a high and increasing number of pupils, with the result that it frequently overspends its budget in this area. The Council was taking steps to address this issue at the time of the Estyn inspection but spending for 2010-11 is again likely to exceed the budget. The Council's ICT systems do not enable officers easily to analyse the volume of support it provides and to try to find more efficient solutions.
- 82 The 2009 Estyn inspection found that good features outweighed shortcomings in the way in which the Council's education services promote social inclusion and wellbeing for children and young people. The report noted that attendance levels in secondary schools had been poor in the previous three years but that there had been a significant improvement in the 2008/09 academic year, when attendance reached 90 per cent for the first time since 2002/03 and almost matched the Wales average. The Council had made good arrangements to reduce exclusions in schools, though a small number of pupils were missing too much school as a result of exclusion. The Council had put in place a good range of initiatives to support young people who were disaffected or at risk of exclusion.
- 83 The 2009 Estyn inspection took place very shortly after the Council had begun to respond to the Corporate Governance Inspection earlier that year. In relation to strategic management, Estyn judged that good features outweighed shortcomings. The report refers to some of the corporate weaknesses identified previously but also reaches positive conclusions about senior management within the education service and the role of the councillor responsible at that time for the service. The shortcomings that Estyn identified related mostly to the slow pace of change, particularly with regard to the reorganisation of schools, and a lack of challenge to practice and performance. The report also notes that, though relationships with schools were generally good, schools were too dependent on the Council.
- 84 The reorganisation of schools has now begun after a long period during which councillors did not take the difficult but necessary decisions. Two small primary schools closed on 31 August 2010, and two others will close in 2011. The latest data, based on the position before the recent closures, shows a small reduction in surplus capacity in the Council's schools. Nevertheless, there are still nearly 3,000 empty places, with almost a quarter of capacity unused.
- 85 The cost⁶ of primary school education, at £5,253 per pupil for 2010-11, is the second highest among local authorities in Wales. The equivalent cost for secondary schools is £4,811 per pupil, a little higher than the average for Wales of £4,726 per pupil. At the end of 2009-10, schools in Anglesey held about £3.1 million in reserves. This figure represents about £335 in reserves per pupil, the highest among the 22 local authorities in Wales by a considerable margin.

⁶ Costs are taken from Revenue Account Forms and include specific grants. They include expenditure from central budgets apportioned to schools as well as delegated budgets.

Is the Council developing skills to meet the needs of the labour market?

- 86 Under the 'developing people' heading, we focused on the Council's commitment to develop skills capacity to meet the needs of the labour market. **Exhibit 3** sets out what the Council has said that it plans to do.
- 87 The local economy in Anglesey has faced particular difficulties in recent years and this is reflected in a below-average employment rate and comparatively low average incomes. In line with the Welsh average, the percentage of working age adults with no qualifications has gradually fallen in Anglesey since 2000 and, other than in 2006 and 2008, Anglesey has been below the Welsh average. The percentage of working age adults with qualifications at NQF level 4 and above⁷ rose in line with the Welsh average between 2001 and 2005 but dipped significantly below the Welsh average in 2006, where it remained for the next two years.
- 88 The Council is performing well in ensuring that very few school-leavers leave school without some qualifications. However, the proportion of 16-year-olds choosing to continue in full-time education in Anglesey has been lower than the Wales average in three of the last four years. Though the proportion staying on in full time education grew in 2009, it remains lower than in all except five other councils in Wales. The proportion of those leaving school in 2009 who were not in education, training or employment fell to 5.2 per cent compared with 5.7 per cent across Wales. However, this figure is now the highest among North Wales councils.
- 89 As part of its work to develop the local economy, the Council is working with partners to try to develop the skills of the local workforce in ways that match the needs of local businesses. In setting this improvement objective, the Council is therefore seeking to address an aspect of life that is important to the wellbeing of many of its citizens. Various Council documents, including the Energy Island Summary, show that the Council is well aware of the challenges of better linking skills and jobs. However, the documents we have seen do not contain an analysis of skill levels and how current skills need to be developed to meet the gaps in the jobs market.
- 90 In order to be able to demonstrate to citizens that it is making progress in delivering this improvement objective, the Council needs to establish a clear baseline that draws together an analysis of current skill shortages and the provision in place to address these shortages. There are various initiatives in place, including Energy Island and Genesis Wales, but the Council has not yet set out clearly enough how it intends to develop and tackle the skills and jobs agenda over the coming years, nor how it will measure success.

Exhibit 3

Improvement objective	Desired outcome
Continued focus on lifelong learning to meet the needs of the island's residents.	Children, young people and adults receive appropriate training to meet the needs of the labour market.

⁷ Level 4 qualifications are at a level equivalent to Certificates of Higher Education and appropriate for people working in technical or professional jobs.

Is Isle of Anglesey County Council helping to create a safe, prosperous and pleasant place to live?

- 91 The crime rate in Anglesey is about two-thirds of the average for Wales. The crime rate has fallen reasonably steadily to about 70 per cent of the figure of seven years ago.
- 92 A recent Criminal Justice Joint Inspection, looking at the quality of the youth justice service covering Anglesey and Gwynedd produced encouraging findings. The report notes that there had been a marked improvement in multi-agency working since the previous inspection in 2008, and that there had been real progress in meeting the required standards in working with children and young people who are subject to custodial sentences.
- 93 The Council is responsible for maintaining 145 kilometres of A-class roads. The proportion of these judged to be in poor condition increased slightly to 3.2 per cent during 2009-10, but this figure remains well below the average for Wales.
- 94 Keep Wales Tidy independent inspections have shown that streets in Anglesey are cleaner than the average throughout Wales, though performance in this aspect of the Council's work has fallen since last year. The percentage of highways and relevant land inspected and found to be of a high or acceptable standard of cleanliness also fell slightly in 2009-10. During 2010, the Council has worked with partners to promote a number of 'clean-up' campaigns on beaches and elsewhere.
- 95 During 2010, we assessed how well councils across Wales were collecting and disposing of the waste that local households and businesses produce. Anglesey is unique among councils in Wales in that it employs a private sector company to carry out its waste collection and to undertake all related marketing and promotional work.
- 96 We found that the Council's waste management service is performing very well and has exceeded by a considerable margin the Assembly Government's target for 2010 that at least 40 per cent of waste should be recycled or composted. Continuing improvement means that the Council's performance in the first quarter of 2010-11 already exceeds the Assembly Government target for 2013. Public satisfaction with the service is high and participation rates are good. Where necessary, the Council has realistic plans to improve participation rates.
- 97 As rates of composting and recycling increase, the amount of waste that the Council sends to landfill is reducing. Landfill space is running out rapidly and the cost of disposing of waste in landfill will increase significantly unless the Council meets stringent targets. The Council is involved in a number of different partnerships with other authorities in North Wales in order to tackle this problem. The largest of these is the North Wales Residual Waste Treatment Partnership. Five councils have worked together to procure treatment facilities for residual waste that will considerably reduce the volume that goes to landfill. The Assembly Government has approved the business case for procuring a treatment plant and has approved funding of £142 million. If all goes to plan, the treatment plant should be working by 2016. In the meantime, projections suggest that the Council is likely to remain within its landfill allowance.

What should the Isle of Anglesey County Council do?

- 98 Given the wide range of services provided and the challenges facing the Council it would be unusual if we did not find things that can be improved. The Auditor General is able to:
- recommend to Ministers of the Assembly Government that they intervene in some way;
 - conduct a special inspection and publish the report with detailed recommendations;
 - make formal recommendations for improvement – if a formal recommendation is made the Council must respond to that recommendation publicly within 30 days; and
 - make proposals for improvement – if we make proposals to the Council, we would expect them to do something about them and we will follow up what happens.
- 99 We think the Council needs to consider our proposals to help it improve:

Proposals we made in our earlier work

- The Council should improve public access to its proceedings by:
 - publishing on its website well in advance of each meeting the agenda and all non-exempt papers for meetings of the Council and its committees; and
 - ensuring that minutes of such meetings are published without delay.
- The Council should develop and implement consistently across all services a clear approach to risk management that is linked to its performance management arrangements.
- The Council, both singly and with its partners, should define clear sets of measures in order to assess more robustly its progress in addressing its improvement objectives.
- The Council should better integrate the use of financial and performance information in order to provide a more comprehensive picture of service performance.

Proposals we made in our earlier work (cont.)

- In order to ensure that those representing the Council in positions of responsibility are accountable for their performance, the Council should:
 - develop and implement consistently across all services a system for the appraisal of officers; and
 - implement the emerging arrangements for the appraisal of elected members, focusing predominantly on their performance in carrying out their specific roles and more generally as committee members.
- The Council should develop and implement a strategy before the 2012 elections to inform citizens about the role and responsibilities of the modern councillor and, in so doing, promote greater diversity within the Council.

New proposals

The Council must ensure that it:

- maintains a clear focus on the ambitious programme of work it has set itself for 2010-11; and
- adopts a similarly ambitious programme for 2011-12 that sustains the momentum of recent months

In preparing its improvement objectives for 2011-12, the Council should:

- increase the accessibility of the objectives and the associated Improvement Plan to interested stakeholders;
- define its improvement objectives so that they are:
 - clear – setting out the visible improvements that citizens can expect;
 - robust – with defined terms of success, whether quantitative or qualitative; and
 - demonstrable – capable of being supported by objective but not necessarily measured or quantitative evidence.

Appendix 1

About the Auditor General for Wales and this report

The Auditor General

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

The Wales Audit Office helps the Auditor General by examining various aspects of how Welsh public bodies work. It was created in 2005 when the National Audit Office in Wales and the Audit Commission in Wales merged.

The Auditor General is the external auditor of the Assembly Government and its sponsored and related public bodies; the National Assembly for Wales Commission and National Health Service (NHS) bodies in Wales. He also appoints the external auditors of Welsh local government bodies, including unitary authorities, police, probation, fire and rescue authorities, national parks and community councils.

As well as carrying out financial audit, the Auditor General's role is to examine how public bodies manage and spend public money, including achieving value in the delivery of public services. The law which created the Wales Audit Office also expanded the powers of the Auditor General to follow the 'public pound' wherever it goes.

This report

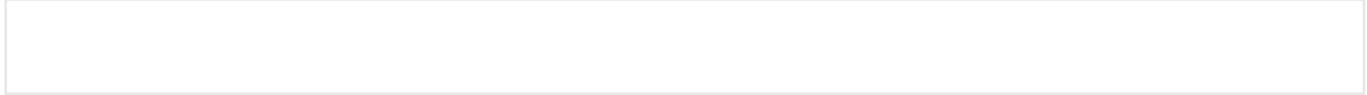
The Local Government Measure (Wales) Measure 2009 (the Measure) introduced new responsibilities for the Auditor General, including a responsibility to publish his assessment of each council/authority's arrangements to secure continuous improvement.

This report has been produced by the Auditor General for Wales to discharge his duties under section 24 of the Measure. The report also discharges duties under section 19, namely; to issue a report certifying that he has carried out an audit under section 17 and an improvement assessment under section 18.

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

The main piece of work for the Wales Audit Office, to enable the Auditor General to fulfil his duties, is an annual Improvement Assessment.⁸

⁸ This assessment will be conducted for each improvement authority, under section 18 of the Measure. For each authority, it will determine whether the authority is likely to comply with the requirements of Part 1 of the Measure. The WAO will also undertake improvement information and planning audit, as required under section 17 of the Measure, in order to ascertain whether the authority has discharged its duties under section 15(1) to (7).



This will be informed by a:

- Corporate Assessment – a forward-looking assessment of an authority’s likelihood to comply with its duty to make arrangements to secure continuous improvement; and
- Performance Assessment – a retrospective assessment of whether an authority has achieved its planned improvements in order to inform a view as to the authority’s track record of improvement.

The output(s) from these assessments will be issued by the Auditor General as Audit and Assessment Report(s), under section 19 of the Measure. In publishing this report under section 19, the Auditor General for Wales is certifying that we have undertaken a section 17 audit and a section 18 improvement assessment.

The Auditor General may also in some circumstances carry out Special Inspections (under section 21), in respect of which he will provide a report to the relevant authorities and Ministers, and which he may publish (under section 22).

The Auditor General will summarise Audit and Assessment Reports in this published Annual Improvement Report (under section 24). This will also summarise any reports of Special Inspections.

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

The Auditor General sets out the fee for his performance audit work undertaken to discharge his duties under the Measure at each local authority in a Regulatory Programme agreed each year with the authority. The fee for November 2009 until March 2011 is currently expected to be in line with that set out in the Regulatory Programme.

Appendix 2

Useful information about Anglesey and the Isle of Anglesey County Council

In 2009-10 the Council's gross revenue expenditure was £155.4 million, equating to £2,260 per resident. In that year the Authority also spent £24.5 million on capital items.

The average band D council tax in 2009-10 in Anglesey was £1,012.79, including the police and community council precepts; this has increased by 4.16 per cent to £1,054.92 for 2010-11. Seventy-four per cent of Anglesey's housing is in council tax bands A to D.

There are 40 councillors who represent the communities of Anglesey and make decisions about priorities and use of resources. There have been very recent changes in the membership of political groups, but, on 24 January 2011, the breakdown was:

- 15 Independent (Original)
- 8 Plaid Cymru
- 5 Llais i Fôn
- 5 Labour Party
- 5 Unaffiliated
- 2 Menai

The Council is required by the Assembly Government to make plans to improve its functions and the services it provides. Each year it must publish these plans along with specific 'improvement objectives' that set out the key things that the Council intends to do to improve. The Council must do this as soon as possible after 1 April each year.

Mr David Bowles is the Council's Interim Managing Director. He is supported by four Corporate Directors, Mr David Elis-Williams, Mr Richard Parry-Jones, Mr Arthur Owen and Mr T Gwyn Jones. The Council employs 3,069 staff (including teachers and other school-based staff).

The Assembly Member representing Anglesey is:

- Ieuan Wyn Jones, Plaid Cymru

The Member of Parliament representing Anglesey is:

- Albert Owen, Labour Party

For more information see the Council's website at www.anglesey.gov.uk or contact the Council at the Council Offices, Llangefni, Anglesey LL77 7TW, or by telephone on 01248 750057.

Appendix 3

The Auditor General's Corporate Assessment

The main conclusions of the Auditor General's Corporate Assessment which was issued to the Council in September 2010 are set out below:

The Isle of Anglesey County Council has responded positively to Ministerial intervention but much work remains to implement plans and then embed the modernisation of its corporate arrangements and to assure the sustainability of improvement

How the Council has approached improvement over time

Many of the foundations are in place to address longstanding weaknesses but the sustainability of improvements remains in doubt:

Following a long history of not being properly run, Welsh Ministers issued a direction in 2009, appointing an Interim Managing Director to lead the Council's response and a Recovery Board to monitor its compliance.

The Council has responded positively to the externally-imposed agenda for change and is putting in place the foundations for improvement but much work remains.

Tensions between councillors continue to emerge and it is too soon to be confident that the Council will make a sustainable recovery.

Analysis of the Council's arrangements to help it improve

Decisive leadership is beginning to improve governance but much work remains to implement plans and then embed the modernisation of the Council's corporate arrangements.

The Interim Managing Director, supported by the Recovery Board, is promoting structural and cultural improvements to the Council's governance, but it is too early to judge whether these will be sustained.

The Council generally works well with partners to deliver a wide range of services but has limited information about the costs and benefits of partnership working.

The Council's policy and strategy framework is not yet sufficiently clear and consistent to support the coherent planning of staff and resources, and the introduction of better business processes.

The Council acknowledges that people management is weak and is hindering improvement, and has begun to address the issue.

For the full report see our website at www.wao.gov.uk or contact us at the address on the inside cover of this report.

Appendix 4

Annual Audit Letter to the Members of the Isle of Anglesey County Council

Isle of Anglesey County Council did not comply with financial reporting regulations and is facing significant financial pressures in the near future. However, it did comply with performance improvement reporting regulations

It is the Council's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements;
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- publish its Improvement Plan by 31 October.

The Code of Audit Practice issued by the Auditor General (the Code) requires us to:

- provide an audit opinion on the accounting statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources;
- consider whether the Improvement Plan is prepared and published in accordance with statutory requirements; and
- issue a certificate confirming that we have completed the audit of the accounts.

On 24 December 2010 I issued an unqualified audit opinion on the accounting statements, confirming that they present a true and fair view of the Council's financial transactions. My report is contained within the Statement of Accounts.

The following issues were identified during the accounts audit:

- the accounting statements preparation process was severely hampered by staffing changes in the finance department and the Council was unable to provide robust revised accounts by 30 September 2010;
- the accounts were not approved by the Council by 30 September 2010 which is a requirement of the Accounts and Audit (Wales) Regulations 2005 (as amended);
- fixed asset records were not adequately maintained and the fixed asset register is not fit for purpose;

-
- the maintenance of accounting records on multiple, complex spreadsheets is very time-consuming and increases the susceptibility of the Authority's financial records to fraud or error. Improvements are required as a matter of urgency to the level of expertise and functionality of accounting systems in order to reduce this risk; and
 - the Whole of Government Account's return was delayed as a result of the delays in respect of the Statement of Accounts.

Management has recognised the importance of addressing these issues in order to ensure that future accounts preparation and audit processes are enhanced and has commenced work on plans for improvement in 2010-11.

Our review of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed as part of the LG Measure. The main findings from this latter work will be set out in the Annual Improvement Report. In addition I also bring the following issues to your attention:

- progress has been made in setting priorities, developing business planning arrangements and in medium-term financial planning, but the Council faces significant financial pressures in the future. This is referred to further in the Annual Improvement Report;
- risk management arrangements are underdeveloped and plans that are in place at the Authority to implement risk management processes need to be progressed;
- the Authority does not have an IT disaster recovery plan or Business Continuity Plan in place; and
- Internal Audit complied with the CIPFA standards.

The Council's Improvement Plan 2010-11 (Performance Review of 2009-10) meets statutory requirements and provides a balanced view of its performance in 2009-10. The Council published its Plan on its website within the statutory deadline but as of the 5 November, hard copies had not been made available thus restricting access to the document.

We are unable to issue a certificate confirming that the audit of the 2009-10 accounts has been completed due to ongoing investigations regarding the administration of renovation grants.

The financial audit fee for 2009-10 is currently expected to be higher than that set out in the Financial Audit Strategy due to the additional work required to complete the audit of the accounts.

PricewaterhouseCoopers LLP
Appointed Auditor
20 January 2011

Appendix 5

The Isle of Anglesey County Council's improvement objectives

The Council published its improvement objectives in its Corporate Business Plan which is available on the Council's website at www.anglesey.gov.uk. They are grouped under five Strategic Priorities:

Enhance the reputation of the Council and island

- delivery of the community leadership and engagement project;
- delivery of the member development programme; and
- enhancing reputation management.

Protect and develop the island's economy

- development and delivery of the Energy Island programme to maximise the potential for inward investment, job creation and skills development;
- utilisation of key external funding streams to support regeneration projects;
- develop and promote tourism opportunities; and
- work in partnership with Gwynedd Council to develop a Local Development Plan.

Build and support sustainable communities

- continue to improve the quality of the Council's housing stock in order to meet Welsh Housing Quality Standard requirements;
- delivery of the affordable housing programme with partner organisations, including the development of an Empty Homes Strategy;
- continue to focus on the provision of homelessness services due to unpredictable demand;
- review the structure of the Children and Young People's Partnership. Development of work programmes with greater focus on child poverty and key skills and produce a revised Partnership Plan for 2011-14;
- develop a strategy to meet the requirements of the Assembly Government 21st Century Schools initiative, which will include the schools rationalisation programme;
- focus on the Council's Corporate Parenting responsibilities and children's safeguarding arrangements
- continued focus on lifelong learning to meet the needs of the island's residents;
- continued focus on improving core skills in accordance with the Assembly Government's School Effectiveness Framework;
- review the rationale for the direct provision of a range of amenity and tourism activities, including heritage sites, parks, leisure, countryside and maritime services;

-
- continued focus on promoting bilingual services in the Council and promoting the Welsh language;
 - continue to implement the Council's waste minimisation programme, recycling initiatives and collaborative arrangements dealing with residual waste; and
 - develop a carbon reduction and energy efficiency programme linked to the Energy Island framework.

Promote healthy, safe and fair communities

- continue to implement a range of initiatives/programmes to support the priority areas of the current 2008-11 Health, Social Care and Wellbeing Strategy to promote healthy living across all age groups;
- prepare a revised Health, Social Care and Wellbeing Strategy for 2011-14;
- remodelling of leisure services on the island;
- work in collaboration with North Wales to implement an integrated telecare service for the region and to develop options for CCTV;
- work with partner organisations to implement the annual Community Safety Partnership Plan;
- contribute towards implementation of the Local Service Board strategy on social inclusion, focusing on economic inactivity, public access, financial inclusion and child poverty; and
- remodelling of home care, residential and day care facilities.

Businesslike and affordable services

- improving the Council's project and performance management arrangements;
- collaborative initiatives to manage change and better use of resources – work in partnership with North Wales authorities on the four change management programmes – Education, Social Care, Environmental Services and Central Support Services;
- implementation of the Affordable Priorities Programme across a range of services to reduce costs and more fit-for-purpose provision;
- preparation of ICT Strategy to improve business processes, e.g. document management and website development;
- making arrangements to balance the Council budget with less resources in future years and implementation of the medium-term financial strategy;
- preparation of a risk management strategy to strengthen the Council's risk management arrangements;
- improving workforce management as part of the developing people project, including ongoing organisational review, Human Resources review and Salary and Grading review; and
- better use of Council assets and further development of the Asset Management Plan.

Appendix 6

References

All the data referred to within the report is drawn from one of the following sources:

- Welsh Assembly Government, StatsWales
- Welsh Assembly Government, local area summary statistics
- Improvement Authority's own websites and Improvement Plans
- The Wales Yearbook
- The Home Office
- Members' Research Service
- Office for National Statistics