



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

# Annual Improvement Report

## **Carmarthenshire**

## **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 Carmarthenshire 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](mailto: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 Non Jenkins and Helen Keatley 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.

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# What kind of area is Carmarthenshire?

- 1 The county is the third largest county in Wales and is bounded to the north by Ceredigion, to the east by Powys, Neath Port Talbot and Swansea, to the south by the Bristol Channel and to the west by Pembrokeshire. Carmarthenshire has a population of approximately 170,000. Although Llanelli is by far the largest town in the county, Carmarthen, the county town is centrally located.
- 2 Based on the latest mid-year estimate (2009), the population of Carmarthenshire is 180,767. The number of children (aged 0-16) was 32,622 in 2009 whilst the number of people aged over 65 was 37,139. The 2008 based population projections show that the population for Carmarthenshire is expected to increase to 211,557 by 2033. There were over seven thousand registered businesses in Carmarthenshire in 2008. Eighteen per cent were in construction, followed by 12 per cent in retail.
- 3 The county is a mix of affluent and severely disadvantaged areas, following the decline in heavy industries. The majority of the population of Carmarthenshire, around 65 per cent, live in 20 per cent of the county's area. This is in the south and east of the county. Many of the wards in this area rank among the poorest 20 per cent in Wales and are where the county's five designated 'Communities First Wards' are located. The more rural areas of the county also have aspects of deprivation such as isolated communities, poor transport links, a decline in rural agriculture economies and low wages. There is a lower proportion of working age people and a higher proportion of people of retirement age than in Wales as a whole.
- 4 In 2009, almost half of the population of Carmarthenshire had the ability to speak Welsh compared with just over a quarter of the total population of Wales.
- 5 Further information about Carmarthenshire and the Council is included in [Appendix 2](#).

welsh speakers  
50%  
//////////

population  
180,767  
//////////

32,622 aged 0-16  
37,139 aged >65  
//////////

# Is Carmarthenshire County Council well managed?

- 6 Managing such a large organisation with its diverse range of services is a challenging and complex task. In July of last year the Wales Audit Office produced a Corporate Assessment report that details how well managed the Council is. The report is summarised in [Appendix 3](#). If you want to read the whole Corporate Assessment report you can find it on the Wales Audit Office website at [www.wao.gov.uk](http://www.wao.gov.uk).
- 7 The overall conclusion of the report was that the Council's arrangements and strong leadership make it well placed to deliver future improvements if the Council as a whole focuses on achieving better outcomes for the people of Carmarthenshire within limited resources.
- 8 In other words, the Council has a strong drive and focus on improvement and is preparing well for the difficult times ahead. But, it has to be realistic about what it can do and focus on the effects of its work on local people.
- 9 Council leaders have made some difficult decisions and they are improving some of the ways the Council manages its people and its buildings. Good financial management and a commitment to regeneration and partnership working are some of the Council's main strengths.
- 10 Since we produced the Corporate Assessment, the pressure has grown on all public services to make the best use of all their resources. County Councillors across all political parties, and partners, have been involved in identifying priorities, options and ideas for savings. The Council has started to develop how it demonstrates that its actions are making a difference to the people of Carmarthenshire and those that use its services. It recognises the need for further improvement in its management of grants, people, ICT and land and property.
- 11 The auditor appointed by the Auditor General has confirmed in his Annual Letter to the Council on 30 November 2010, that the Council's financial statements for 2009-10 were generally satisfactory and that money had been spent in a proper way. The appointed auditor did however identify the need for the Council to improve its controls over fixed assets. His 2010 Annual Letter is included in this report in [Appendix 4](#)<sup>1</sup>.
- 12 In 2009-10 the Council spent some £550 million on revenue expenditure and some £75 million on capital expenditure.
- 13 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. Carmarthenshire Council will see a reduction of around £3.1 million (1.3 per cent) in the revenue funding it gets from the Assembly Government for 2011-12. Once inflation is factored in, that means a real terms cut of around £7.9 million (3.15 per cent). Because the Assembly Government publishes these budgets for one year at a time, it is hard to be absolutely certain about the impact over the medium term. The Assembly Government's own spending plans show that total revenue spending on local government will be 3.3 per cent less on 2014-15 than in 2010-11 (a real terms cut of 6.7 per cent).
- 14 Capital funding is the money that councils spend on infrastructure, for example new buildings and new equipment. The capital funding available to the Council is set to reduce considerably. Because councils make bids for capital funding, it is not possible to be entirely clear about how much each council will get. 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

<sup>1</sup> There is more information about the right to see council accounts in the Wales Audit Office leaflet, *Council accounts: your rights*, which you can find on our website at [www.wao.gov.uk](http://www.wao.gov.uk).

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 2014-15.

- 15 These reductions are in line with the Council's assumptions, reflecting prudent planning. The Council continues to develop and refine its approach to medium term financial planning and how to make best use of the money it has. Over the Summer and Autumn the Council has undertaken further work to assess its likely revenue resource requirements in the future. The Council currently estimates that with reducing income streams, some £29 million will need to be saved over the next three years.
- 16 The Council's budget has been well-managed in recent years with balanced budgets achieved at both directorate and corporate level. This places the Council on a sound footing going forward into a period of significant change and financial cuts as it has a track record of making sure its services are delivered with the resources it has available. However, the Council has some real challenges to address if it is to secure the level of savings it envisages and councillors will have to make some difficult decisions.
- 17 Encouragingly, the Council has begun working on a range of options to secure the required savings. In the main the proposals relate to four broad areas:
  - cutting expenditure in areas such as overtime and mobile telephones;
  - implementing, through agreement, the results of its job evaluation exercise, voluntary severance and reductions to staff terms and conditions;
  - introducing new, more efficient ways of delivering existing services to make savings and improvements; and
- 18 The Council anticipates that its proposals, which are in the process of being fully developed, will result in sufficient cost savings to achieve a balanced revenue budget over the next three years. The Council will need to finalise its plans early in 2011.
- 19 The Council has also identified a need for significant funding to improve infrastructure, develop new services and upgrade existing facilities. Over recent years the Council has spent on average some £70 million on capital expenditure. The likely reduction in capital funding from the Assembly Government will impact on the Council's plans for the future.
- 20 The Council held workshops for Councillors earlier this year to prioritise options and ideas for finding these savings. Each political group has been consulted on their ideas for areas where savings can be made. Councillors will consider these options in early 2011 before making some of the most difficult decisions that they have had to make about where will they find these savings.
- 21 As an important first step, the Council should try to recover more of the council tax that it is owed. Council tax arrears have increased in recent years and at the end of March 2010 stood at some £5 million – this was amongst the highest amount of council tax arrears in Wales. Proportionally, the level of council tax outstanding per chargeable dwelling was just above the Welsh average. The Council needs to further address its arrears position to improve cash-flow and to ensure it receives all the income it is owed to sustain service delivery and find the savings that it needs to make.

- 22 However, more positively, the Council has reduced how much it overpays in housing and council tax benefits to people and increased the amount of overpayment debt it recovers. In 2008-09, good arrangements helped the Council overpay £177,000 less benefit than in the previous year, with the proportion of overpayment falling from 5.35 per cent to 4.7 per cent of benefit spent.
- 23 Finally, the Council relies on some £80 million of grant income each year. The appointed auditor reported in 2008-09 that the Council needed to improve grant project management through ensuring that:
- there is an agreed corporate approach to project management;
  - project managers have the skills required to manage the grant schemes;
  - systems are in place to monitor the performance of project managers; and
  - project managers are accountable for poor performance.
- 24 The results of audit work to assess whether grant arrangements have improved will be reported to the Council's Audit Committee early in 2011.
- 25 The Council's Improvement Plan says that working with partners to make better use of resources and to make savings is one of its seven most important priorities for improvement in 2010-11. In the current financial climate this is an appropriate improvement objective for the Council. But the Council needs to set out more clearly in its Plan its estimated savings target. The Council is fully committed to collaboration and partnership working, notably through the Local Service Board which is overseeing the production of an Integrated Community Strategy.
- 26 We have held a workshop with Council staff to help the Council demonstrate how its decisions and actions are making a difference to citizens and users of its services. The Council will be holding more workshops in the coming months, and we believe that both Councillors and senior managers would benefit from being involved in these workshops.
- 27 The Council is making progress to ensure that staff are being paid fairly, according to the law on equal pay. It is also looking for savings from how staff are currently paid for travel, subsistence, bonuses and overtime. It has given staff the opportunity to apply for voluntary severance, although only a limited number of staff have taken up this opportunity and it is unclear at present how this impacts on the Council's savings plans.
- 28 The Council has made some changes to the way it manages people and is developing ways to help managers get the up to date information they need to manage and support staff better. The Council recognises that it has much more to do and that it needs to agree a People Management Strategy which should help to set out a clear direction for the service and its main priorities for improving its management of people.
- 29 The Council has recognised the critical importance of its ICT service in helping to deliver improvements to services and in delivering efficiencies. It has instigated a review of that service to ensure that it is both effective and efficient in contributing to these objectives. Our work in providing external challenge to the Council's review suggests that the Council is arriving at sensible conclusions about reshaping the service and making it fit for purpose in meeting future challenges. We agree with the Council's draft findings that there are significant opportunities for the service to develop the role

that it has as a 'corporate enabler' and deliver the savings needed from the ICT service over the next three years. The success of this review will be important in assisting with the challenging financial climate that the authority faces.

- 30 One aspect of the Council's services, that runs through all of its service delivery is Welsh Language. The Welsh Language Board (the Board) works with Local Authorities to help them develop their statutory Welsh Language Schemes (WLS) 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 local authority is expected to provide the Board with an Annual Monitoring Report (the Report) that explains how its scheme has been implemented. This Report 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.
- 31 In 2009, 49.4 per cent of the population of Carmarthenshire had the ability to speak Welsh compared with 25.6 per cent of the total population of Wales. This is amongst the highest of all local authorities in Wales.
- 32 The Board praised the Council for its ability to provide a comprehensive and consistent Welsh language service through its 'Carmarthenshire Direct' service. The Board also welcomed the Council's ability to provide data on the linguistic skills of staff. The Council is currently revising its WLS and the Board has found that it has delivered the targets in the current scheme. However, the Board has also found that the Council's website does not comply with its WLS and there are also some problems with the availability of electoral documentation in Welsh. The Council has delivered an improvement plan to address these issues.



# Does Carmarthenshire County Council know what it needs to do to get better?

33 The Assembly Government requires all councils to publish their plans for improving what they do and how they do it. They must also publish a list of the main things they are aiming to improve each year – their improvement objectives. For 2010-11 the Council has decided to concentrate on seven objectives. The Council has linked these seven objectives to its outcome agreement with the Assembly Government, Carmarthenshire's community strategy, the Council's service business plans and its performance management systems. This was the first year of a new reporting framework which required local authorities to publish Improvement Objectives. This was also the first year for councils to agree Outcome Agreements with the Assembly Government, which Carmarthenshire also included within their published Improvement Plan. As the first year of this new framework there are, inevitably, opportunities to learn from the experience and to improve upon the way in which these various elements are decided, how they fit together and complement each other and how they are published. Some of these learning opportunities are set out below.

34 The Council's Improvement Plan describes the seven improvement objectives in different ways in different parts of the Plan. We give specific examples of how these differences weaken the clarity of the Council's objectives later in this report.

## The Council's improvement objectives on pages 8 and 9 of the Improvement Plan (the Plan)<sup>2</sup> are set out below:

- work with our partners to make better use of resources and realise savings;
- to work together to improve the health and wellbeing of the people of Carmarthenshire and in particular during 2010-11 to focus on making good progress in improving the quality of housing by delivering the work programme for the Carmarthenshire Homes Standard;
- we will continue to safeguard our vulnerable adults and children;
- we will support older people to play their part in the life of our communities and support them to live independent lives whenever possible in their own homes;
- work towards achieving a carbon neutral county and improve energy efficiency;
- have a robust response to the current economic climate by supporting business and ensuring those most in need claim their correct entitlements; and
- to modernise the standard of school premises so that they are fit for purpose for the 21st century and accommodation and facilities are fit for the community they serve.

<sup>2</sup> The Plan can be found on the Council's website at [www.carmarthenshire.gov.uk/English/council/performance/Documents/Improvement%20Plan%20\(Part%201\)%202010-11%20\(Updated\).pdf](http://www.carmarthenshire.gov.uk/English/council/performance/Documents/Improvement%20Plan%20(Part%201)%202010-11%20(Updated).pdf)

- 35 The published Plan also differs from the Plan agreed by the Council on 14 July 2010. This makes it difficult for citizens to be clear about the Council's priorities and targets and difficult to hold the Council properly to account for delivering them. Within the Council's performance management systems, some of the desired outcomes against which success are measured are different to those in the published Plan. While it is appropriate for performance measures and targets to be adjusted as new information becomes available, such changes must be clearly communicated to councillors, staff and the public. The Council intends to make these changes clear to Councillors at its Policy and Resources Scrutiny Committee, but we recommend that decision makers are also fully appraised of the changes.
- 36 The Council must publish its improvement objectives as soon as practical after the beginning of April each year. The Council published its improvement objectives in July 2010 as part of its Improvement Plan for 2010-11. The public can view this plan on the Council's website as well as in hard copy.
- 37 This year the Council worked well to share its Plan with local people at a fairly early stage. It will however need to publish its improvement objectives earlier next year.
- 38 The Council is required by the Assembly Government to produce an annual review of its achievements and progress within the last financial year. Therefore, the Council published an Annual Report (the Report)<sup>3</sup> in October 2010 to comment on its performance from April 2009 until March 2010.
- 39 The Report meets the statutory requirements and is very comprehensive in its coverage, describing how the Council has made progress on actions, and its key achievements against the seven thematic performance areas. It also includes the contributions of its partner organisations, and addresses openly what areas it will need to improve over the next year. The Report also encourages service users to respond to specific service provision where appropriate and more generally, to its overall content. Links are provided directly to performance reports indicating responsible officers, who can be held to account.
- 40 However, the performance data provided at the beginning of the report is somewhat confusing and performance and actions are not consistently linked to outcomes. Some services, such as Housing, show clear links between actions and outcomes; whereas other services merely list what has been done without indicating whether or not people's lives have improved as a result.
- 41 If the Council is clear how it intends improvements will benefit the people who live and work within its community, it will make it easier for the Council to demonstrate what it has achieved next year.
- 42 The Council's target setting exhibits a mixed picture. It has set better targets and measures for some improvement objectives than others, with its objective to better safeguard vulnerable adults having the weakest measures. Some measures are not always easy to understand. Other measures could be more ambitious and some are not relevant to the improvement objectives or are in the wrong place in the Plan. More detail on these is included later in the report.

<sup>3</sup> The Annual Report can be found on the Council's website at [www.carmarthenshire.gov.uk/english/council/performance/pages/annualreport200910performance.aspx](http://www.carmarthenshire.gov.uk/english/council/performance/pages/annualreport200910performance.aspx)

- 43 Whilst information is readily available within the Council's own performance management systems, the Plan could outline examples of past and current performance as they relate to its aspirations. It could also include information showing how the Council compares to other Welsh councils. For example, it compares favourably in a number of areas, such as children's services, delivering its housing quality standard, and reducing its carbon footprint.
- 44 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. The Council is very active in getting the views of staff, citizens, partners and other organisations to help it design and improve its services and decide what its priorities are. It also knows that it needs to improve its analysis and make better use of all the views it gathers to help in making the improvements and savings the Council is seeking.
- 45 The Council places importance on consulting with its residents. It continues to be successful in recruiting participants for its Citizen's Panel and 'refreshes' the Panel membership from time to time, to ensure it continues to be representative of the population. The Panel is organised jointly between the Council, Dyfed-Powys Police and Hywel Dda Health Board, which also demonstrates good partnership working. The Council also intends to carry out another independent residents' survey in 2010-11 to ensure its data, on what residents think about Council services, is brought up to date. The Council has both a framework and corporate standards in place for general consultation, however improvements could be made to the quality and consistency of feedback to the participating public. The Council should ensure that the services can demonstrate that changes to service delivery were made as a result of findings arising from all its consultation events.
- 46 The Council's approach to customer care is generally good. It has developed a number of systems which make it easier for its customers and residents to contact and access the Council and its services. Significant investment has been made into improving its contact centres and supporting services, which has resulted in a high rate of satisfaction from customers as to how their queries are dealt with. Its Careline service, for vulnerable members of the community, has been particularly effective. Nevertheless, the Council also recognises that there is room for improvement - to ensure that the standards of processing calls need to be consistent among all services and that resources must be in place to ensure that the contact centres can maintain good service during times of emergency or major new initiatives.
- 47 The Council also recognises that improvements must be made to its current approach to complaints processing and is to implement the recommendations made by the 2009 Ombudsman's review of Welsh council consultation procedures. The Council plans to develop a corporate team which will co-ordinate and closely monitor and evaluate complaints, noting trends and ensuring services respond to the complaints appropriately.
- 48 Finally we asked how well the Council's plans will support its efforts to do better and if it could resource these improvements. We found that whilst the Council is likely to be able to show next year whether it has achieved the measures and targets it has set itself, it will find it difficult to show whether people are better off as a result. As they have been included in the Council's business plans and performance management systems, it is likely that the Council can resource the improvements it has set out in the Plan for 2010-11. But it is not clear whether it will be able to afford some of the outcomes it expects from these improvements, such as 'maintaining services' and 'reinvesting savings'.

# Is Carmarthenshire County Council serving people well?

- 49 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 objectives for improvement as they relate to three important aspects of life in Carmarthenshire. 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.
- 50 In this year's assessment we have looked at how the Council is doing so far on these aspects. We have looked at all seven objectives but not in any great detail as we will look at them in more detail in our report next year. Overall, if the Council has chosen to make things a priority, then it should be able to measure them in terms of how they affect local people.

## Is Carmarthenshire County Council supporting people in need?

- 51 The Welsh Index of Multiple Deprivation (2008) showed that Carmarthenshire had five areas in the most deprived 10 per cent of all wards in Wales. All five are in the southeast of the county.
- 52 Female life expectancy in Carmarthenshire for 2006-08 was 81.3 years, which is just lower than the Welsh average of 81.4 years. Male life expectancy for the same period was 76.5 years, lower than the Welsh average of 77.0 years. In 2008-09 the county had one of the lowest rate of older people being supported in the community. Some 23.9 per cent of Carmarthenshire's population is of retirement age, whilst in Wales as a whole the proportion is 21.4 per cent.
- 53 In 2007 teenage pregnancy was amongst the lowest in Wales at around 36 per 1,000 girls aged 15 to 17. The average rate for Wales at that time was 44.9 pregnancies.
- 54 The Welsh Health Survey of adults showed that mental health and well-being in Carmarthenshire for 2007-08 was not significantly different from the Welsh average. The adult obesity rate for 2007-08 showed the county's rate as marginally higher than the Wales average whilst the adult smoking rate for the same year was lower than the Welsh average and one of the lowest overall.
- 55 Affordable housing provided in Carmarthenshire has decreased slightly since 2007-08 and remained at a level of just half the Wales average. In 2008-09 the rate in Carmarthenshire was among the lowest in Wales. The rate of homelessness in Carmarthenshire in 2008-09 was amongst the highest of all 22 local authorities in Wales.
- 56 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.
- 57 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.
- 58 2009-10 is the first full year of the new framework with the purpose being to establish a baseline of current performance. The key messages of the letter issued in December 2010 are summarised below. In relation to adult services, the Council is making progress in supporting older people and promoting their independence. Its new contact centre has also improved access arrangements for older people. There have been some new service developments, particularly for older people and more adults in Carmarthenshire are receiving direct payments and benefiting from assistive technology. Most importantly, the Council has plans to transform older people's services while resolving long-term financial difficulties related to community care.

59 However, the Council accepts that despite the progress that has been made in adult services there is still a need to sustain this improvement. Delays to transfers of care have consistently been among the highest in Wales and while there has been improvement this year, this will need to be sustained. Similarly there is further work planned to improve the timeliness and quality of assessment and review. Staff recruitment, appraisal and development are critical to ensuring a high quality and consistent service and there is a need to sustain the work which has begun to address these key areas. A separate review is being conducted on learning disabilities which is an area where the Council has recognised the need to modernise and improve its services. There is work ongoing to integrate the work of the Council and the health service in this area which is expected to lead to a more joined-up and effective service and also to identify ways of securing better value for money through collaboration.

60 The CSSIW completed an inspection of adult protection arrangements and identified some strengths but found that overall the implementation of adult protection procedures did not yet provide a consistently effective response at all stages of the adult protection process. The Council has developed an improvement plan in response to this inspection which is being monitored by CSSIW.

61 Because of the pressures of increasing demand for services good financial planning is important. The Council has been investing significant additional resources in its social care services, especially those for adults, every year for the past five years. However, in the current financial climate there is serious doubt that this continuing level of investment can be maintained and the service will be unable to meet demand unless budgets are controlled and more innovative ways of providing services introduced.

62 In children's services, the picture is much more positive. There is effective leadership and an inclusive approach to improvement. The service offers a good range of appropriate information and there is a consistent, timely response to referrals. Initial and core assessments are timely and planning and review, in relation to looked after children, are both effective. Services are well-managed with consistent good performance and improvement evident and there is an increasing range of services. Staff are developed appropriately, and sound supervision arrangements are in place. Partners and service users are involved in the planning and development of services.

63 Areas for improvement in children's services include better involvement of others in service reviews. There are some weaknesses in recording and reporting information appropriately and it is unclear if people are being signposted appropriately to preventative services. Qualified social workers do not yet carry out enough of the initial assessments. Links with adult services could also improve, as could the number of care leavers in education, training and employment.

### Is the Council safeguarding vulnerable children and adults?

64 As improving social care has been one of the Council's top priorities for a number of years, it has been investing an additional £2 million or so every year for the past five years particularly into adult social services, and plans to do so again this year despite the difficult financial climate.

65 The Council's children's services are one of the better led, performing, and better value in Wales. But whilst its adults' services have improved, evidence demonstrates that the Council needs to tackle the underlying causes which adversely

affect its performance in transforming its adults' services. Adult services have improved in some areas but progress has been slow and the Council needs to continue to modernise its services and improve its performance. Most aspects of the Council's performance in achieving this objective are dealt with in the summary of CSSIW's annual letter in the previous section.

- 66 We think that it is right for the Council to have an improvement objective to better safeguard vulnerable children and particularly adults. We found that the Council's planned actions to improve the service to safeguard vulnerable adults, as set out in its Improvement Plan are weak.
- 67 We found that the Council's planned improvements set out in its Improvement Plan in relation to safeguarding vulnerable children are slightly clearer than those relating to safeguarding vulnerable adults. But they are mostly focussed on process and the measures for these actions do relate to how the Council is performing in comparison with other councils. This is a missed opportunity. The Council's children's services is one of the best in Wales in relation to many of these measures. The Council's leaders need to tackle the causes affecting its performance in safeguarding vulnerable adults and transforming its adult's services.
- 68 Our work to assess services for adults with mental health needs across the Hywel Dda Health Community concluded that there has been good progress in improving adult mental health services since our baseline review in 2005. However, the improvement agenda has been too focused on the health aspects and has not reflected a wider whole system approach. This local report fed into our national report<sup>4</sup> which assessed the housing services for adults with mental health needs across Wales.

The Wales Audit Office report 'Housing services for adults with mental health needs', published in November 2010, gives an example of how the Council needs to further improve its inter-agency working between health, social care and housing to enable vulnerable people to maintain their tenancy and make the transition to normal living.

A homeless person with significant mental health needs, was allocated a tenancy after being accepted as a person to whom the Council owed a housing duty. Whilst there was recognition of the client's vulnerability, no tenancy support was organised and put in place despite housing officers being aware of the client's needs and the previous involvement of social workers in assisting the individual. The tenant subsequently experienced difficulties in managing the tenancy and was at risk of losing his home, but no referral to or liaison with social services took place to identify and address the tenant's support needs.

- 69 The Council's Equality Scheme is important to ensuring that the most vulnerable people in Carmarthenshire are given equal access and opportunity. However, this scheme is still in draft and to ensure that the Council is seen to be committed to giving equal opportunities to its most vulnerable people it needs to finalise this scheme soon.

4 [www.wao.gov.uk/assets/englishdocuments/Housing\\_Mental\\_Health\\_eng\\_web.pdf](http://www.wao.gov.uk/assets/englishdocuments/Housing_Mental_Health_eng_web.pdf)

## Is the Council supporting older people to live independent lives whenever possible in their own homes?

- 70 We think that supporting older people to live independent lives whenever possible in their own homes is an appropriate improvement objective for the Council. This is because the number and proportion of older people in Carmarthenshire is rising, the Council has come from a very poor level of performance, and it has had relationship problems with its health partners in the past. As such, this has been one of its main improvement priorities for a number of years and it promotes fairness and improvements in the quality of the service.
- 71 Some of the Council's planned improvements to support this objective are focussed more on processes rather than what older people living in Carmarthenshire will get out of the improvements. Some of the targets it has included are not ambitious. Inconsistencies in the Council's Improvement Plan, highlighted earlier in this report, make the outcomes the Council is trying to achieve unclear.
- 72 The Council has greatly improved its relationships with health agencies in recent years. This is leading to some significant improvements to better support older people to live independent lives. However there remains a significant number of older people, including vulnerable people, still waiting to be assessed and have their cases reviewed, and because of the low performance base from which it began, the Council remains significantly behind other councils in this area.
- 73 Our Corporate Assessment report said that improvement has not been easy for the Council. Its strategy for Developing Modern Services for Older People has faced significant political and public challenge. The report also recognises that while the rate at which it transfers older people from hospital into care (DTCOC) is still the slowest in Wales, it has significantly improved from a very poor level of performance. The Council also continues to be one of the poorest performing in Wales for helping older people live independently in the community. The Council supports 59.7 people aged 65 or older to live in the community per 1,000 population, compared with a Welsh average of 86.7 and a best performance of 107.6. Although the Council's performance has improved, there remains considerable potential for further improvement.
- 74 To help it improve its performance, the Council has recently completed the second of its new extra-care facilities in partnership with Gwalia Housing. It has also set up joint area teams and made some joint appointments with the Local Health Board. It has rolled-out telecare technology to assist people keep their independence and the Council now hosts the monitoring for almost 30,000 clients across five council areas in mid and west Wales, which is an example of cross border collaboration.
- 75 Over the last year the Council's scrutiny committee has looked at how the Council is planning to transform its services to older people and help them live their lives more independently where possible. This is because councillors were facing some tough decisions about changing the service. We said in our Corporate Assessment that although it is good practice for scrutiny to help inform key decisions and policies, the Council needs to ensure that this does not cause it to delay making the step change necessary to deliver modern services particularly to the adults and older people of Carmarthenshire.



## Is the Council delivering the work programme for the Carmarthenshire Homes standard?

- 76 Delivering the work programme for the Carmarthenshire Homes standard is an appropriate objective as it reflects the Council's priorities and supports improvements in the quality of the service. Achieving the Welsh housing quality standard is also required by the Assembly Government.
- 77 We found that many of the measures and actions set out in the Council's Improvement Plan and its performance management systems to achieve this objective are much wider than just improving the quality of council homes and the standards of service provided by the Council to its tenants. For example, it includes measures on increasing the supply of affordable housing and licensing Houses in Multiple Occupation (HMOs). Neither of these areas of work relate specifically to improving the quality of council housing.
- 78 As such this improvement objective and the actions to support its delivery have not been defined clearly enough to evidence whether it will have achieved it or not next year. Also, the Plan does not include information from its performance management systems to show how it compares to other councils in Wales.
- 79 In our Corporate Assessment report we said that one of the Council's notable achievements was the progress and engagement it has achieved to date in moving forward the delivery of the Carmarthenshire Homes Standard programme. This remains the case and the Council is on track to achieve its targets by 2015 since having been granted an extension to the timescale by the Assembly Government. The Council also won the 2010 Association for Public Service Excellence annual service award for the best housing & regeneration initiative and is a finalist for its housing service in the Welsh Local Government Association (WLGA) Excellence Wales awards 2010. However it is proposing to borrow significant sums of money to be able to improve its housing; some £123 million. This presents a significant risk for the Council in a time of reduced public funding and one that needs to be carefully managed.
- 80 The Council is generally performing well in tackling homelessness. It prevented homelessness for at least six months for 85 per cent of homeless households in 2009-10 and less than half of all those who presented as homeless were determined as requiring assistance. Only one homeless family needed to use bed and breakfast accommodation in 2009-10.
- 81 We know that there is a shortage of affordable housing in Carmarthenshire, like many other counties in Wales, particularly in West Wales but the Council was not able to secure as much affordable housing in during 2009-10 as it did the previous year. This meant that only 16 per cent of additional new units were classed as affordable which was below the Welsh average of 23 per cent. It is important that the Council ensures good working relationships with housing associations to secure better performance and future improvements. It has identified a need to develop more affordable homes to meet housing need within the county. However, with Social Housing Grant funding for building new housing reducing in future, the Council will find it increasingly challenging to deliver its intended improvements.

# Is Carmarthenshire County Council helping people to develop?

82 The percentage of working age adults in Carmarthenshire with no qualifications has gradually fallen since 2001. It was 15.2 per cent in 2008 which was above the Wales average of 14.6 per cent. However the proportion of adults with higher level qualifications<sup>5</sup> is above the Welsh average and has also been on a gradually upward trend since 2001.

83 Estyn, the inspectorate of 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. The results of Estyn's inspections are summarised in the paragraphs below.

## Is the Council modernising the standard of school premises/ improving educational standards?

84 Improving education and its schools has been one of the Council's top priorities for a number of years and as such it has invested heavily in education. However, it is unclear from the Council's Improvement Plan whether the Council's objective is to 'modernise the standard of school premises' or 'improving educational quality'. The improvement objective on page 8 of the Plan is to 'modernise the standard of school premises'. On page 42 it says the improvement objective is 'improving educational quality'. These mean very different things. Whilst research shows that poor school facilities can have a negative effect on how

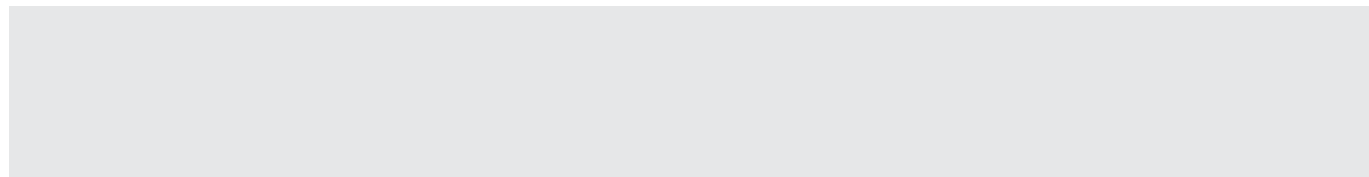
well pupils and students do in their studies, modernising schools buildings cannot guarantee an improvement in educational quality without a number of other factors playing a big part. As such it is difficult to understand what the Council wants to achieve. The Council should refine this objective to make it clearer so that it can show that the measures and targets set are appropriate and good enough to achieve it.

85 Overall, the Council's performance in education is mixed. Although the Council's performance in the core subject indicator (CSI) at key stage 1 is close to the Welsh average and it has improved its position in Wales, performance is not as good as it should be when compared with similar councils in Wales. At key stage 1 whilst Carmarthenshire's performance is close to the Welsh average in the CSI and in Maths and Science, the percentage achieving level 2 is below the average for Wales in both Welsh and English.

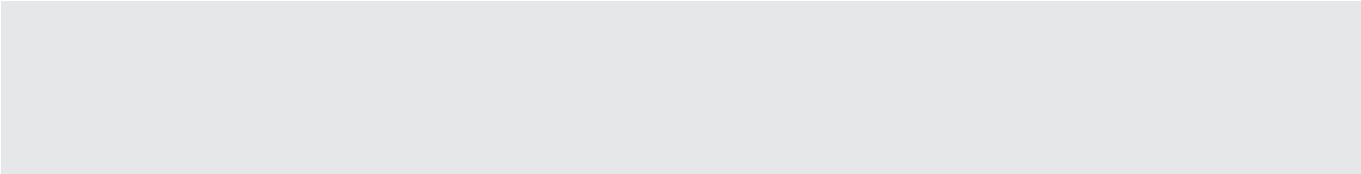
86 At key stages 2 and 3 the Council's performance is below the Welsh average for all the indicators. At key stage 2, the Council is the one of the lowest performers in Wales. At key stage 3 in 2010, performance does not compare as well as it should to other councils across Wales. The percentage gaining the CSI has got worse when the percentage across Wales has increased creating a bigger gap between the Council's key stage 3 performance and that of the average in Wales.

87 By key stage 4, where educational attainment is externally verified through examinations, the situation improves and the county performs better than the Welsh average and the Council's wider points score has improved year on year since 2005-06 and was above the Welsh average in 2008-09. However performance on the level 2 threshold does not compare as well to other councils as the other indicators at key stage 4.

<sup>5</sup> Qualifications at Level 4 and above in the National Qualifications Framework e.g, certificate of Higher Education, HND or Degree.



- The percentage of pupils entered for two or more A levels who gained two A levels at A-C grades has shown a general decline since 2005-06.
- 88 It will be important for the Council to understand why its performance at key stages 1-3 are not as good as its performance at key stage 4 and why more A level students have lower grades.
- 89 The attendance record of pupils in Carmarthenshire's primary and secondary schools is below the Welsh average. Although its performance for unauthorised absences is better than the Welsh average the number of half day sessions lost is higher than the Welsh average.
- 90 Carmarthenshire schools held a total of £5.5 million in reserves in March 2010, £3.6 million of which was in primary schools. The county's schools held above the Welsh average for reserves per pupil. Each year, many schools are putting more money aside in reserves, and by now, 53 per cent of its schools have more than five per cent of their budget in reserves, which is above the Welsh average, and 27 per cent of these schools have more than 10 per cent of their budget in reserves which is amongst the highest in Wales. Whilst it is wise to hold some funds in reserve, the Council should work with schools to ensure that levels are appropriate and that money that could be used to improve education is not being held back unnecessarily.
- 91 The number of children and young people in Carmarthenshire is falling which is leaving a lot of empty spaces in schools, and empty spaces are a waste of the Council's money. The Council has invested £78 million between 2001 and 2009 in modernising its school buildings and reducing the large number of empty school places it has in comparison with other councils. Although it cut its spare places from 20.7 per cent in 2008 to 19.8 per cent in 2009 and was one of the few councils in this time to have shown some improvement, by 2010 the percentage of spare places had increased back to 20.7 per cent which is amongst the highest in Wales. It has many more spare school places to cut, particularly in primary schools, than most other councils in Wales. The Council now estimates that £330 million is still needed to complete its programme to modernise education.
- 92 By 2009, the Council has removed 750 primary and 552 secondary spare school places by getting rid of the spare school places, bringing schools together into existing school buildings or new ones. It had cut the number of primary schools from 133 to 115, closed two secondary schools and built five new primary schools and a new secondary school. The Council has spent nearly £78 million on school buildings between 2001 and 2009, over half of which came from the Council's money, particularly through prudential borrowing. As there are less primary school children every year there are still over 5,000 primary school places (28 per cent) which is one of the highest in Wales. In 2010, over half of all primary schools and 36 out of all 60 small schools had a significant number of spare places. Thirteen out of 14 secondary and 95 out of 115 primary school buildings are not yet fully fit for purpose and 91 classrooms are in temporary buildings.
- 93 The most recent inspection by Estyn in 2009 judged that the Council's education services included good features in all the areas that were inspected which outweighed shortcomings and its prospects for improvement were good, with no major barriers. However, the inspection gave the Council a low grade for the way it was addressing its surplus school places showing concern about the quality of property support services for schools.

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- 94 Since then the Council has reviewed its Modernising Education Provision (MEP) programme. It is now estimated that £330 million, in addition to the £78 million already spent, is still needed. It has made sure that the MEP programme has a stronger focus on education and community rather than just buildings and this review has given the Council a good base on which to build. Councillors across all political groups are committed to the programme. The Council's future plans to reduce the number of schools would save the Council a large amount of money. The quality of information on condition and suitability of schools and the costs to make all schools fit for purpose has improved considerably since the Estyn report. The processes for identifying actions for all schools are logical and thorough and clear criteria have been identified and agreed with schools and these have been applied in drawing up proposals for the future. Property services have worked with schools to more clearly identify responsibilities of schools and the Council.
- 95 Discussions have been held with the Assembly Government about funding this reorganisation and a business case is being presented for funding through the Transformation programme. Consultation was carried out on these proposals in June 2010, and proposals were taken to Council in the autumn this year ready for bids to be made for the next round of Assembly capital funding in March 2011.

## Is Carmarthenshire County Council helping to create a safe, prosperous and pleasant place to live?

- 96 In 2009 the average weekly earnings in Carmarthenshire stood at £501, which was just below the Welsh average.
- 97 In July 2010, 2.9 per cent, or 3,200 residents of the working age population, were claiming Jobseekers Allowance and National Insurance credits. The Welsh average was 3.6 per cent. Between 2001 and 2007 the employment rate has been below that for Wales as a whole and moved above the Welsh average in 2008.
- 98 In 2008-09 the proportion of 'A' roads in Carmarthenshire in poor condition was broadly similar to Wales as a whole. The rate at which people were killed or seriously injured on roads was higher than the Wales average and the amongst the highest of all 22 Welsh councils. The cleanliness rate of highways and relevant land in Carmarthenshire has improved to be one of the highest of all Welsh councils.
- 99 The Council works closely with Dyfed Powys Police and other services to try to find out how to keep Carmarthenshire safe. The county has the one of the lowest overall crime rate in Wales at around half of the Welsh average.
- 100 The Council also works closely with other organisations such as the voluntary sector to understand issues that cause problems in local areas and build stronger communities including how to better protect and provide a sustainable environment, and regenerate the county. Some of this information is based on statistics about the number of crimes and complaints reported to the Police and to the Council, or in the risks it faces from threats like flooding or other disasters. Some of it is about how safe people feel. Many of these issues are complex and must therefore be tackled in partnership with other agencies and stakeholders.

## Is the Council working towards achieving a carbon neutral county and improve energy efficiency?

- 101 The Council can justify working towards achieving a carbon neutral county and improve energy efficiency as it contributes to the sustainability of our planet and to global and national requirements to do so. However, this improvement objective is difficult to understand. Some measures are easier to understand than others but some are quite vague and are not focussed on demonstrating how local people will benefit. Some of the measures in the Plan relating to helping the county become carbon neutral have been excluded from the objective, and there is no information to show how the Council compares with other councils in Wales. This is a missed opportunity to show the public that the Council is one of the better performers in Wales on these issues but the Plan does not do the Council justice.
- 102 The Council has set sensible actions to reduce its carbon footprint, with most about improving the way it uses energy. The financial reason for doing this is obvious, with the Council identifying that the current energy cost of £3.5 million per year could increase by 50 per cent. As the Council has focussed on improving energy efficiency for many years, much has already been done to reduce the amount of energy used which has already reduced the Council's carbon footprint.
- 103 The Council is prepared for the start of the Carbon Reduction Commitment in 2011 which will measure the reductions in carbon emission made from 2011 onwards, but this unfortunately means that the good progress that the Council has achieved already will not be taken into account.

- 104 Examples of good practice include the use of SALIX<sup>6</sup> finance as Carbon Trust loans of almost £1 million to fund insulation and better heating controls in council buildings. Also the Council has tried a different mains voltage reduction trial which shows it could save 15 per cent of energy. The Council has over 1,000 buildings and it has targeted the 20 greatest energy users, including some schools, leisure centres and larger council buildings for energy efficiencies.
- 105 The Council is working well with its partners, through the Local Service Board (LSB), on climate change issues to work towards becoming a carbon neutral county. The Council's recent focus has been on projects in the community, and to promote Carmarthenshire as a 'green' county. The Council recognises that it needs to do more in order to adapt and get ready for unavoidable climate changes.
- 106 Sustainability, of which carbon management forms a part, is a central principle of the county's LSB. The Council is one of only two organisations in Wales to get the Platinum Corporate Health Standard, an Assembly Government award for good sustainability and health promotion.

### Does the Council have a robust response to the current economic climate by supporting businesses and ensuring those most in need claim their correct entitlements?

- 107 The current financial climate and the need to find savings justifies the Council having an improvement objective to develop appropriate responses. But the Plan defines this improvement objective differently in different parts. Also, there is discrepancy between the measures for this improvement objective included in the Plan and those included in the Council's performance management systems. The Plan does not include measures relating to 'ensuring those most in need claim their correct entitlements', although measures relating to this objective appear in the Council's performance management systems.
- 108 The Council has a well established approach to regeneration which should place it in a strong position to combat the worst effects of the recession. It has been effective in helping deliver several major new regeneration developments over the last few years, including: an extensive retail area in Trostre Park, Llanelli; the creation of St Catherine's Walk which is a new retail area in the centre of Carmarthen; and improved leisure facilities in Parc y Scarlets and Ffos Las racecourse. It has identified that its major priority is to support business activity in order to ensure that jobs are created or at least saved, and so to help maintain a good standard of living for its residents. The Council is confident that the regeneration projects it has identified in its plans are an appropriate mix to help the county cope with the recession.

<sup>6</sup> SALIX Finance provide interest free funding to public sector organisations in the UK to invest in energy saving technologies.

109 The Council works well with its partners including business organisations, voluntary sector bodies, as well as other public sector organisations within and from outside the county. It also works jointly with its partners to deliver a number of regeneration projects, including ones that provide support for both established and new business development. For example, the local investment fund with 1,900 grants of up to £5,000 available for local businesses. A local initiative advises businesses on how to become suppliers for council services and ensure that they are promptly paid. Also, loans are available to help carry over small businesses in times of hardship. A scheme worth a total of £5.5 million encourages the Council to work alongside the voluntary sector in South West Wales to help develop social enterprises.

110 Whilst it can show that some of its projects have supported businesses, created jobs and regenerated towns, the Council is not clear about what actual impact these initiatives are having on the people and communities of Carmarthenshire and how much they are benefiting. The Council has started to think about how it can do this.

111 The Council has earmarked a total of £90 million for various developments, including an employment site, town centre improvements, and a new Llanelli theatre. However, because of the global financial problems, accessing public funding for its major regeneration projects is likely to be even more difficult for the Council over the next few years.

## Are the Council's other services creating a safe, prosperous and pleasant place to live?

112 The Council's waste services are efficient, well liked by residents and help to make Carmarthenshire a more pleasant place. As it recognises that meeting its waste and recycling targets will get harder in future, it is working with other councils to find a solution. Also the Council may struggle to attract funding in the future for its current method of kerbside recycling thus making it difficult to sustain. A strategic long-term approach will be required.

113 The Council has a record of providing good waste management services. The county produced two per cent less waste in 2009-10 than the previous year. In 2008-09 the Council performed well in diverting waste away from landfill, and in 2009-10 it was recycling and composting 40 per cent of its waste, putting it at about the Welsh average. However to meet the recycling and composting target of 52 per cent by 2013 it needs to get far more people to recycle their waste. The service believes that this is possible and has prepared a plan, but only up until 2014. Achieving targets after 2013-14 needs waste treatment infrastructure. In particular, without this infrastructure the Council is likely to find it difficult to improve anymore and meet future target levels.

114 The Council is working with neighbouring councils in the South West Wales Regional Joint Committee, to procure capacity to treat residual waste after 2013, but has only made limited progress. The Council is also seeking to procure food waste and residual waste treatment capacity through this collaboration. The collaboration has met many challenges so far but is now making

progress with the procurement of food waste treatment capacity and is at an early stage in deciding what is needed to treat residual waste.

115 The Council's floods and coastal protection service is effectively managing the current risks of erosion. However, the Council is less ready to deal with the challenges of future climate change in terms of more severe weather and rising sea levels. Demands on this service are mounting as the Council works with others to prepare plans to manage the risks of flooding and help residents adapt and become more resilient to erosion and flooding.

116 The Planning service has a key role in the delivery of several of the Council's improvement objectives. The Council currently performs well in comparison with other councils in Wales in terms of processing planning applications and is on course to prepare a Local Development Plan (LDP).

117 Carmarthenshire is one of the safest counties in Wales and the Council is working well with the Police and other partners to further improve it. Keeping Carmarthenshire safe is important to the Council and its partners and they have planned to carry out a number of further improvements over the next year. These are set out in its improvement plan, but it does not show how well Carmarthenshire is performing in comparison with other counties in keeping its county safe. Its youth offending service is better than the average service in England and Wales, which helps to reduce the chances of young people reoffending.

118 While the Youth Offending Prevention Service (YOPS) needed to ensure Risk of Harm to others received greater attention at both the assessment and planning stages, this inspection identified much good work being delivered.



# What should Carmarthenshire County Council do?

119 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.

120 In the light of our work, the Auditor General is not making any formal recommendations but we also think the Council needs to consider our proposals to help it improve:

## Proposals we made in our Preliminary Corporate Assessment report (July 2010)

- 1 The Council should consider reducing the number of its scrutiny committees to further improve their effectiveness.
- 2 The Council as a whole needs to ensure that it works together in agreeing a realistic medium-term financial plan.
- 3 The Council should further develop a more outcome-based approach to improvements to demonstrate the difference that its projects, plans and actions are having on improving the lives of the people of Carmarthenshire. In doing so the Council could benefit from:
  - consolidating and evaluating the improvement data it collates to demonstrate the extent to which it is achieving better outcomes;
  - reviewing and challenging its improvement actions, measures and targets to ensure that they effectively address areas for improvement; and
  - making clearer the links between its key actions and the performance measures and outcomes it particularly aims to achieve.
- 4 The Council should strengthen grants management arrangements to ensure that they more robustly support the delivery of projects and to mitigate the risk of claw back of funding.

### New proposals for improvement

- The Council will need to publish its improvement objectives according to the Assembly Government's requirements much sooner next year;
- the Council should review its improvement planning arrangements to ensure that a clear, consistent plan is agreed and communicated to councillors, staff and the public; and
- as part of this process the Council will need to:
  - make the improvement objectives clearer;
  - correct the discrepancies between the measures used in the Plan and those used in the Council's performance management systems to measure the achievement of the improvement objectives; and
  - make sure that the correct version of the Plan is on the Council's website.

# 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 and financial management.

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

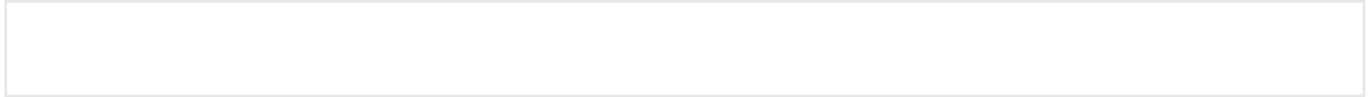
The Local Government (Wales) Measure 2009 introduced new responsibilities for the Auditor General, including a responsibility to publish his assessment of each council/authority's arrangements to secure continuous improvement.

This report has been produced by the Auditor General to discharge his duties under section 24 of the Local Government (Wales) Measure 2009 (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 Council, national parks, 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<sup>7</sup>.

<sup>7</sup> 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 Wales Audit Office will also undertake an 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 and describes the extent to which he has done so.

The Auditor General sets out the fee for 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 Carmarthenshire and Carmarthenshire County Council

In 2008-09 the Authority's gross revenue spend was £389 million, equating to £2,153 per resident. In that year the Authority also spent £103 million on capital items.

The average band D council tax in 2009-10 for Carmarthenshire was £1,111.05 per year, this will increase by 3.03 per cent to £1,144.76 per year for 2010-11 and 76 per cent of Carmarthenshire's housing is in council tax bands A to D.

The Council is one of the largest and most diverse employers in South West Wales, employing over 9,000 employees who provide services across a rural county to a population of around 180,500.

The Assembly Members for Carmarthenshire are:

- Rhodri Glyn Thomas, Carmarthen East and Dinefwr, Plaid Cymru
- Angela Burns, Carmarthen West and South Pembrokeshire, Conservative
- Helen Mary Jones, Llanelli, Plaid Cymru

The Members of Parliament for Carmarthenshire are:

- Jonathan Edwards, Carmarthenshire East & Dinefwr, Plaid Cymru
- Simon Hart, Carmarthenshire West & South Pembrokeshire, Conservative
- Nia Griffiths, Llanelli, Labour

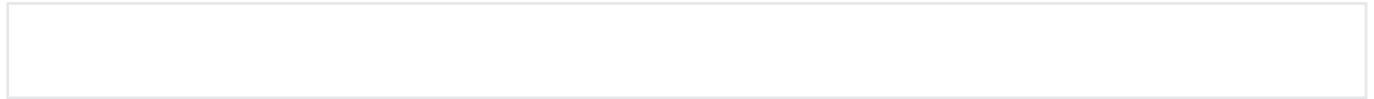
There are 74 Councillors for Carmarthenshire who represent the community and make decisions about priorities and use of resources. The Council is made up of Members from the following political groups:

- 32 Independent
- 11 Labour
- 30 Plaid Cymru
- 1 Liberal Democrat

The Council is managed by 74 elected councillors from a range of political groups.

The Executive Board is responsible for the overall business of the Council.

The Executive Board comprises the Leader of the Council, who is the Chairperson, and up to nine other members appointed by the Council.



Each of the members of the Executive Board has a defined portfolio of responsibilities:

- Councillor M. Gravell - Leader
- Councillor W.J.W. Evans - Deputy Leader, Finance
- Councillor K M – Deputy Leader, Customer Focus and Community Wellbeing
- Councillor M.H. Evans - Housing and Public Protection
- Councillor P.M. Hughes - People Management and Protection
- Councillor P.E.M. Jones - Health and Social Care
- Councillor P.A. Palmer - Business Manager
- Councillor H.C. Scourfield - Regeneration
- Councillor G.H. Woolridge - Education and Children's Services

They are the decision makers and agree the Council's policies and spending priorities.

Corporate Management Team:

The Council is made up of six Directors and departments:

- Chief Executive: Mark James
- Education and Children's Services: Robert Sully
- Social Care, Health and Housing: Bruce McLernon
- Technical Services: Richard Workman
- Regeneration and Leisure: David Gilbert
- Resources: Roger Jones

# 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 July 2010 are set out below:

### Overall conclusion

The Council's arrangements and strong leadership make it well placed to deliver future improvements if the Council as a whole focuses on what better outcomes it can deliver for the people of Carmarthenshire within limited resources.

### How the Council has approached improvement over time

The Council has a strong drive and focus on improvement and is preparing well for the difficult times ahead recognising that a council-wide realism and a focus on outcomes will be required to secure future improvements.

- the Council's strong, ambitious and visible leadership has driven through difficult decisions and made significant achievements in some areas;
- the Council is steadily improving with some well-established arrangements and continues to strengthen others to secure future improvements and efficiencies; and
- in a challenging financial climate, future improvements depend on the Council as a whole having a realistic focus on delivering better outcomes for the people of Carmarthenshire.

### Analysis of the Council's arrangements to help it improve

The Council demonstrates particular strengths in leading and collaborating on improvement but its management of estates and people is not always effective.

The Council is strongly and creatively led supported by sound financial management and a committed approach to collaboration.

The Council's development of strategy and policy is coherent and based on sound data but it is not yet demonstrating how these are delivering improved outcomes for citizens.

The Council's management of people and estates does not yet adequately support the delivery of its objectives.

For the full report see our website at [www.wao.gov.uk](http://www.wao.gov.uk).

## Appendix 4

### Appointed Auditor's Annual Audit Letter to the Members of Carmarthenshire County Council

The Local Government Measure 2009 has provided the Wales Audit Office with an opportunity to rethink how to report the findings from both the financial audit and the performance audit work to local government bodies. As you will be aware the Auditor General will be issuing an Annual Improvement Report (AIR) to each local authority shortly and many of the issues that were traditionally reported in the Appointed Auditor's Annual Audit Letter will be included in that report. Therefore I have taken the opportunity to summarise the key messages arising from the Appointed Auditor's statutory responsibilities (the accounts, the value for money conclusion and the audit of the improvement plan) into this short letter which forms the Annual Audit Letter.

This letter is designed to be a standalone document, but will be presented to the Council and the public as part of the AIR and therefore discharges my reporting responsibilities under the Code of Audit Practice (the Code).

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.

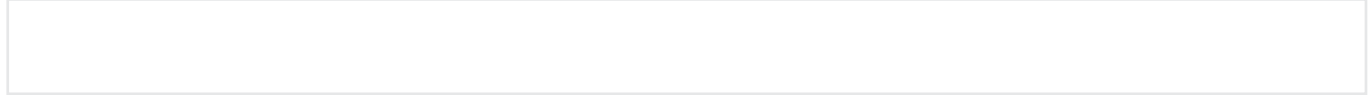
The Code requires me to:

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

On 30 September 2010 I issued an unqualified audit opinion on the accounting statements, confirming that they present a true and fair view of the Council's and the Dyfed Pension Fund's financial transactions. My report is contained within the Statement of Accounts. The following issues were identified during the Council's accounts audit:

- as reported last year, the system for capital accounting and fixed assets requires significant improvement; and
- although the process for preparing the accounting statements has continued to improve, resulting in good quality draft statements supported by comprehensive working papers, there remains scope to make further improvements in some areas particularly for capital accounting and fixed assets.





My 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 Measure. The main findings from this latter work will be set out in the AIR.

I also bring the following issues to your attention – effective budgetary control arrangements are in place and medium-term financial planning is well developed, but the Council faces significant financial pressures in the future. This is referred to further in the AIR.

Finally, last year I reported that the Council needed to improve grant project management through ensuring that:

- there is an agreed corporate approach to project management;
- project managers have the skills required to manage the grant schemes;
- systems are in place to monitor the performance of project managers; and
- project managers are accountable for poor performance.

I also reported that arrangements to compile, record and monitor grants needed to be improved. Audit work is ongoing during the remainder of 2010 to assess whether the Council's grant arrangements have improved. I will report my findings to the Council's Audit Committee early in 2011.

The Council's Improvement Plan 2010-11 meets statutory requirements and provides a balanced view of its performance in 2009-10.

I issued a certificate confirming that the audit of the accounts had been completed on 30 September 2010.

The financial audit fee for 2009-10 is currently expected to be in line with that set out in the Financial Audit Strategy.

Ceri Stradling  
Appointed Auditor  
30 November 2010

# Appendix 5

## Carmarthenshire County Council's improvement objectives

The Council published its improvement objectives in its Improvement Plan which can be found on the Council website at [www.carmarthenshire.gov.uk/english/council/performance/pages/deliveringourambitionsin201011.aspx](http://www.carmarthenshire.gov.uk/english/council/performance/pages/deliveringourambitionsin201011.aspx)

The seven improvement objectives on pages 8 and 9 of the Improvement Plan are set out below, but are different to those set out later in the Plan:

- work with our partners to make better use of resources and realise savings;
- to work together to improve the health and wellbeing of the people of Carmarthenshire and in particular during 2010-11 focus on making good progress in improving the quality of housing by delivering the work programme for the Carmarthenshire Homes Standard;
- we will continue to safeguard our vulnerable adults and children;
- we will support older people to play their part in the life of our communities and support them to live independent lives whenever possible in their own homes;
- work towards achieving a carbon neutral county and improve energy efficiency;
- have a robust response to the current economic climate by supporting business and ensuring those most in need claim their correct entitlements; and
- to modernise the standard of school premises so that they are fit for purpose for the 21st century and accommodation and facilities are fit for the community they serve.

# 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
- The Council's own websites and improvement plans
- The Wales Yearbook
- The Home Office
- Members' Research Service
- Office for National Statistics