



WALES AUDIT OFFICE
SWYDDFA ARCHWILIO CYMRU

Annual Improvement Report 2014-15

Wrexham County Borough Council

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This Annual Improvement Report has been prepared on behalf of the Auditor General for Wales by Huw Lloyd Jones and Paul Goodlad under the direction of Jane Holownia.

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

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Assembly Commission and National Health Service bodies in Wales.

The Auditor General and staff of the Wales Audit Office aim to provide public-focused and proportionate reporting on the stewardship of public resources and in the process provide insight and promote improvement.

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Summary report

Purpose of this report

- 1 Each year, the Auditor General is required to audit the improvement planning and reporting arrangements of Welsh councils, fire and rescue authorities, and national park authorities, and to assess whether each authority will meet statutory continuous improvement duties¹. This work has been undertaken on behalf of the Auditor General by staff of the Wales Audit Office. **Appendix 1** provides more information about the Auditor General's powers and duties in local government.
- 2 In addition, the Auditor General undertakes an in-depth corporate assessment (CA) at each authority on a cyclical basis (currently at least once every four years). In the intervening years, in addition to audits of improvement planning and reporting, the Wales Audit Office, on behalf of the Auditor General, will keep track of developments and focus further assessment work on a number of key themes, developed in discussion with each authority.
- 3 This Annual Improvement Report (AIR) summarises the audit work undertaken at Wrexham County Borough Council (the Council) since the last such report was published in June 2014. This report also includes a summary of the key findings from reports issued by 'relevant regulators', namely: the Care and Social Services Inspectorate Wales (CSSIW); Her Majesty's Inspectorate for Education and Training in Wales (Estyn); and the Welsh Language Commissioner. Nonetheless, this report does not represent a comprehensive review of all the Council's arrangements or services. The conclusions in this report are based on the work carried out at the Council by relevant external review bodies and, unless stated otherwise, reflect the situation at the point in time that such work was concluded.
- 4 Taking into consideration the work carried out during 2014-15, the Auditor General will state in this report whether he believes that the Council is likely to make arrangements to secure continuous improvement for 2015-16.
- 5 This statement should not be seen as a definitive diagnosis of organisational health or as a prediction of future success. Rather, it should be viewed as providing an opinion on the extent to which the arrangements currently in place are reasonably sound insofar as can be ascertained from the work carried out.
- 6 We want to find out if this report gives you the information you need and whether it is easy to understand. You can let us know your views by e-mailing us at info@audit.wales or writing to us at 24 Cathedral Road, Cardiff, CF11 9LJ.

¹ Duties and requirements contained within the Local Government (Wales) Measure 2009 (the Measure).

2014-15 performance audit and inspection work

- 7 In determining the breadth of work undertaken during the year, we considered the extent of accumulated audit and inspection knowledge as well as other available sources of information including the Council's own mechanisms for review and evaluation. During 2014-15, the Wales Audit Office undertook improvement assessment work under three themes: Performance, Governance and Use of Resources.
- 8 Projects completed since the Council's last AIR by the Wales Audit Office – including local audit work and national studies – and other 'relevant regulators', are set out below:

Project name	Brief description	Dates when the work was undertaken
Wales Audit Office: Good Scrutiny? Good Question	National report based on an innovative audit approach, involving facilitation of 'real-time' peer review, learning and improvement in scrutiny involving officers and members from all 22 unitary councils.	Fieldwork during 2013-14, with a national report published in May 2014
Wales Audit Office: NEETS: Young people not in education, employment or training (NEET)	National review of councils in Wales (which included field work at Wrexham Council) exploring councils' work to reduce the numbers of young people NEET. It also considered the extent to which councils enable better outcomes for young people who are, or are at risk of becoming, NEET.	Throughout 2013, with a national report published in July 2014
Wales Audit Office: Delivering with Less – the Impact on Environmental Health Services and Citizens	National review of councils in Wales, exploring the impact of cuts in resources on the ability of council environmental health services to deliver their statutory obligations.	November 2013 to April 2014, with a national report published in October 2014
Wales Audit Office: Managing the Impact of Welfare Reform Changes On Social Housing Tenants in Wales	National review of councils in Wales (which included field work at Wrexham CBC) exploring how well they are addressing the impact of welfare reform on social housing tenants.	December 2013 to March 2014 with a national report published in January 2015
CSSIW: Safeguarding and Care Planning of looked after children and care leavers	National Inspection of Safeguarding and Care Planning of looked after children and care leavers, who exhibit vulnerable or risky behaviours.	January to May 2014 with a local report published August 2014 and a national report in January 2015.

Project name	Brief description	Dates when the work was undertaken
Wales Audit Office: Local Authority Arrangements to Support Safeguarding of Children	Review of the Council's assurance and accountability arrangements for ensuring that safeguarding policies and procedures are in place and are being adhered to. The same review took place at all 22 councils in Wales.	March to May 2014
Wales Audit Office: Review of Wrexham Local Service Board (LSB)	Review of the effectiveness of Wrexham LSB in delivering improved outcomes for local people.	March to May 2014
Wales Audit Office: Annual 'Improvement Plan' Audit	Review of the Council's published plans for delivering on improvement objectives.	June 2014
Wales Audit Office: Financial Planning Assessment	Review of the Council's financial position and how it is budgeting and delivering on required savings.	July to September 2014
Wales Audit Office: Whistleblowing	Review of the Council's whistleblowing policy and the arrangements to support whistleblowing and whistleblowers. The same review took place at all 22 councils in Wales.	September to October 2014
CSSIW: Performance Evaluation Report 2013-14	Annual report covering key areas of progress and areas for improvement within the Council's Social Services. The same review took place at all 22 councils in Wales.	October 2014
Wales Audit Office: Annual 'Assessment of Performance' Audit	Review of the Council's published performance assessment, including testing and validation of performance information.	October 2014
Wales Audit Office: Discretionary Housing Payments (DHP)	Review of the Council's management, customer focus, decision making and oversight of DHP funding. The same review took place at all 22 councils in Wales.	November to December 2014
Wales Audit Office: Business Planning	Review of the Council's business planning arrangements; follow-up to weaknesses highlighted within the 2014 AIR.	November to December 2014

Project name	Brief description	Dates when the work was undertaken
Wales Audit Office: Housing	Review of the Council's housing-related performance; follow-up to an earlier Proposal for Improvement.	November to December 2014
Wales Audit Office: Scrutiny	Review of the Council's scrutiny arrangements; follow-up of improvement opportunities prompted by the 2013 national scrutiny project.	November to December 2014
Wales Audit Office: Workforce Planning	Review of the Council's workforce planning arrangements; follow-up to an earlier Proposal for Improvement.	November to December 2014
Welsh Language Commissioner: Annual Review	Review of the Council's arrangements for supporting and promoting the Welsh language and culture. The same review took place at all 22 councils in Wales.	January 2015

The Council has continued to make good progress against the majority of its improvement objectives, strengthened its corporate arrangements and maintained its track record of strong financial control

- 9 Based on, and limited to, the work carried out by the Wales Audit Office and relevant regulators, the Auditor General believes that the Council complies with the requirements of the Measure and is likely to make arrangements to secure continuous improvement during 2015-16.
- 10 The Auditor General has reached this conclusion because:
- a Overall performance has continued to improve and the Council made good progress against the majority of its priority objectives during 2013-14.
 - b Areas of under-performance associated with some priority outcomes – such as those related to housing – are being addressed comprehensively. However, progress within some important areas of under-performance – such as raising educational attainment of 16-year olds – has been slower than the Council anticipated.
 - c Financial management arrangements are effective, with no immediate shortcomings.
 - d The Council evaluates its performance in a fair and balanced way, enlists specialist external support where necessary and takes appropriate action to address identified weaknesses, or in response to external regulators.

- 11 In common with local government throughout Wales, increasing financial pressures mean that the Council will find it challenging to maintain, and where necessary, improve its performance. More than ever before, the success of the Council will rely on its ability to prioritise, to manage effectively, and to make well-informed decisions about, the services it provides. To do this well, the arrangements that promote robust performance management, governance and use of resources need to be fit for purpose.
- 12 From 2013-14, the Wales Audit Office began to deliver a rolling programme of corporate assessments (CA), based on a four-year cycle. In addition to an annual programme of improvement studies and audits of councils' approaches to improvement planning and reporting, each council will receive an in-depth CA once during a four-year period.
- 13 The CA for the Council is scheduled for October 2015 and will evaluate the Council's ability to 'deliver its priorities and improved outcomes for citizens'. To achieve this, the CA framework focuses on six key areas: performance and outcomes; vision and strategic direction; governance; use of resources; partnership and collaboration; and managing improvement. Throughout this report, we have included references to relevant sections of the CA framework, to emphasise the links between work we have recently completed and issues we will follow up, or review in more depth, in October 2015.

Headlines – a summary of key findings

- 14 The table below summarises the key findings of reports issued since the last AIR by the Wales Audit Office, CSSIW and the Welsh Language Commissioner. Estyn has not completed any fieldwork or published any Council-specific reports since we issued the last AIR.

Audit of accounts	We issued an unqualified opinion on your financial statements on 27 November 2014. This means that we believe the financial statements give a true and fair view of the financial position of the Council and of its expenditure and income for the year.
Improvement planning and reporting audits	We issued audit certificates stating that the Council had discharged its duties under the Measure in terms of improvement planning and reporting performance (see Appendices 2 and 3).

Performance

Wales Audit Office

- During 2013-14, performance against the national indicators was mixed, but showed an overall improvement and progress against a majority of the Council's priority outcomes was good ([Paragraphs 20 to 23](#)).
- The proportion of Wrexham's young people NEET is reducing in line with the national average, but the proportion of pupils who leave school without an approved qualification remains high compared to other areas – particularly for looked after children ([Paragraphs 24 to 28](#)). Full report available at www.audit.wales.
- Some aspects of the Council's approach to managing the impact of welfare reform changes reflect good practice, but the associated performance management arrangements are under-developed and could be a constraint on effective decision-making ([Paragraphs 29 to 36](#)). Full report available at www.audit.wales.
- The Council made significant progress against its housing-related improvement priorities during 2013-14 and remains on schedule to meet challenging improvement targets for its housing stock ([Paragraphs 37 to 43](#)).
- The secondary school system remains less cost-effective than it should be but the financial position of secondary schools continues to improve ([Paragraphs 44 to 49](#)).

CSSIW

- During 2013-14, the Council made progress in the majority of improvement areas previously identified by the CSSIW, but areas of weaker performance remained in both Children's and Adult services. Full report available at cssiw.org.uk.
- A 2014-15 inspection of safeguarding of and care planning for looked-after children and care leavers who exhibit vulnerable or risky behaviour identified a range of strengths and areas for improvement. Full report available at cssiw.org.uk ([Paragraphs 50 to 61](#)).

Welsh Language Commissioner

- The Council's progress in supporting and promoting the Welsh language has been inconsistent ([Paragraphs 62 to 65](#)).

<p>Governance</p>	<p>Wales Audit Office</p> <ul style="list-style-type: none"> • During 2014-15, the Council's improvement planning and performance reporting arrangements met the requirements of the Local Government (Wales) Measure 2009 (Paragraphs 66 to 67). • Council policies and procedures provide useful support for the Local Service Board, but the scrutiny, performance management and stakeholder engagement arrangements are not yet fully effective (Paragraphs 68 to 70). • The Council's approach to whistleblowing is generally sound, but there are a few opportunities to strengthen some of the associated arrangements (Paragraphs 71 to 72). • The Council's arrangements for safeguarding children are generally adequate – with some areas of weakness which the Council is addressing (Paragraphs 73 to 74). • Some aspects of scrutiny are under-developed; the Council has recognised the need to strengthen its scrutiny arrangements and is taking action, supported by external specialists (Paragraphs 75 to 79). • The Council's business planning framework is generally well integrated and most staff understand how their contribution supports the Council's strategic objectives (Paragraphs 80 to 82). • It is too soon to assess the impact of recent constitutional changes on the effectiveness of the Council's governance arrangements and decision-making processes (Paragraphs 83 to 87).
<p>Use of resources</p>	<p>Wales Audit Office</p> <ul style="list-style-type: none"> • The Council has effective financial management arrangements with no immediate shortcomings (Paragraphs 88 to 97). • The Council is generally delivering environmental health services at above minimum levels; whilst budgets have increased marginally, staff numbers have fallen and stakeholders have mixed views on the Council's management of services (Paragraphs 98 to 102). • Workforce planning arrangements are now embedded and are being implemented systematically (Paragraphs 103 to 104).

Recommendations and Proposals for Improvement

- 15 Given the wide range of services provided by the Council and the challenges it is facing, it would be unusual if we did not find things that can be improved. The Auditor General is able to:
- a make proposals for improvement – if proposals are made to the Council, we expect it to take appropriate action, which we then follow up;
 - b make formal recommendations for improvement – if a formal recommendation is made, the Council must prepare a response to that recommendation within 30 working days;
 - c conduct a special inspection, publish a report and make recommendations; and
 - d recommend to Ministers of the Welsh Government that they intervene in some way.
- 16 During 2014-15, the Auditor General did not make any formal recommendations to the Council, but did make recommendations that may be relevant to the Council in his Local Government National Reports. A list of these recommendations is provided in [Appendix 5](#). A range of lower-priority issues – known as proposals for improvement - are contained in our other reports. Those issued to the Council during 2014-15 are summarised below; we have not made any new recommendations or proposals for improvement in this report. We will continue to monitor the Council's responses to the Auditor General's recommendations and proposals for improvement during the course of our improvement assessment work.

Proposals for improvement issued in local reports since the June 2014 AIR

Review of Wrexham Local Service Board (LSB)

- P1 Ensure that scrutiny arrangements are robust and provide an appropriate level of challenge to the LSB.
- P2 Develop Delivery Plans that are effective tools for holding delivery partners to account.
- P3 Put in place performance management arrangements that provide the information needed to promote robust challenge, drive improvement and demonstrate value for money.
- P4 Improve stakeholder engagement and widen key stakeholders' participation in Delivery Boards.

Proposals for improvement issued in local reports since the June 2014 AIR

Review of Whistleblowing

- P1 Strengthen the whistleblowing policy and arrangements by updating them to reflect good practice.
- P2 Involve members in the review of the whistleblowing policy, its implementation and effectiveness.
- P3 Ensure whistleblowing training is provided to all staff.
- P4 Develop a communications strategy for making staff aware of the updates and general arrangements.
- P5 Review methods of checking staff awareness.
- P6 Review the whistleblowing policy at least every three years or sooner if there is any legislative change.

Review of Local Authority Arrangements to Support Safeguarding of Children

- P1 Ensure all officers and members are aware of, and understand, the Council's safeguarding accountability arrangements.
- P2 Include all aspects of the Council's safeguarding within the internal audit programme going forward to ensure all local arrangements are reviewed to strengthen accountability and challenge.

- 17 The CSSIW identified a range of areas for improvement in its inspection and performance evaluation reports issued during 2014-15. We refer to some of these areas for improvement within this report. However, details of all areas for improvement identified by the CSSIW are available at www.cssiw.org.uk.
- 18 The Welsh Language Commissioner's Response to the Council's 2013/14 Annual Monitoring Report identified a range of required actions for the Council to address. This report includes a short summary of the Welsh Language Commissioner's findings and conclusions; full details of the Welsh Language Commissioner's response are available at www.comisiynyddygydraeg.org.
- 19 Estyn did not undertake any inspections at the Council during 2014-15, so did not produce any new recommendations or areas for improvement. Details of the most recent Estyn report issued to the Council – an inspection follow-up monitoring visit which took place in January 2013 – are available at www.estyn.gov.uk.

Detailed report

The Council has continued to make good progress against the majority of its improvement objectives, strengthened its corporate arrangements and maintained its track record of strong financial control



Performance

During 2013-14, performance against the national indicators was mixed, but showed an overall improvement and progress against most of the Council's priority outcomes was good

- 20 The Wales Audit Office 2014 AIR concluded that during 2012-13, the Council had made steady progress against many of its improvement objectives, but outcomes for citizens were not consistently improving at a corresponding rate. Since then, the Council's performance against the national indicators has been mixed, but showed an overall improvement. During 2013-14, the Council improved or maintained its performance for half of the 44 national indicators. The Council also increased the number of indicators performing better than the all-Wales average from 21 to 23; the number of indicators with top quartile performance also increased, from 18 to 21.
- 21 The Council's annual performance report – Focused on our Performance 2013-14 – provides a generally objective self-assessment of progress against the Council's Plan. Of the 15 priority outcomes it set for 2013-14, the Council assessed two-thirds as Green ('Good progress is being made and outcomes are improving'), and the remainder as Amber ('Progress is being made but not yet impacting on outcomes'). For example, strong improvement in some areas – such as further reducing the time taken to deliver a Disabled Facilities Grant – is offset by slower progress in other areas – such as levels of adult obesity, which continued to increase despite efforts by the Council and its partners to promote healthier lifestyles. Overall, the Council's evaluation provides a balanced picture of progress. Maintaining a robust self-awareness about the areas where additional attention is required will support the Council's continuous improvement journey.
- 22 Each year the Welsh Government undertakes a national survey² to obtain the views of people living in Wales on a range of issues including, health, education and local services. Just over a fifth (21 per cent) of Wrexham residents who were surveyed in 2013-14 disagreed that the Council provided high quality services; this is broadly similar to the survey results for other North Wales councils and lower (better) than the national average (25 per cent). The proportion of Wrexham's residents who believed that the Council provided high quality services increased in 2013-14 – from 51 to 54 per cent. Whilst encouraging, this remains slightly below the all-Wales average of 57 per cent and is the lowest of the six North Wales councils. However, almost a quarter (24 per cent) of Wrexham residents who took part in the survey neither agreed nor disagreed that the Council provided high quality services. This level of ambivalence was the same in 2012-13, is higher than the national average (18 per cent) and higher than the other councils in North Wales.

² The National Survey for Wales is a face-to-face survey of people across Wales. Each year, 14,500 people aged 16 and over are asked for their opinions on a wide range of issues affecting them and their local area. Respondents are selected at random to ensure the results are representative.

- 23 Although comparisons between authorities can be useful, a key benefit of the national survey data is the ability to track changes for an individual authority over time. This is important, because research by the Welsh Government³ found that differences between local authorities accounted for less than two per cent of the variation in the levels of satisfaction with local authority services. The results of the national survey for 2014-15 should be available by October 2015 and will help to inform our CA, by showing if, and how, public perceptions of Wrexham Council's services have changed over recent years. The CA framework explores the extent to which the Council's 'vision and sense of purpose reflects local needs and the views of local people' – and whether the Council is 'delivering better results for service users'.

The proportion of Wrexham's young people not in employment, education or training is reducing but the proportion of pupils who leave school without an approved qualification remains higher than most other areas

- 24 In July 2014, we published a national report on the contribution that councils in Wales make to reduce the number of young people NEET. Councils play an important role in reducing the number of young people who are NEET. The Welsh Government set out its expectations for councils' support for young people in 2000 in its guidance, 'Extending Entitlement: supporting young people in Wales' and subsequently in 'Extending Entitlement: support for 11-15 year olds in Wales' (2002). This section of the report summarises the Wrexham-specific issues referred to in the national report.
- 25 The proportion of year 11 leavers from schools in Wrexham known to be NEET reduced by over a third (36 per cent) between 2009 and 2013 – the same rate of improvement as the national average. The Council has also tackled tensions between schools, work-based learning providers and further education institutions caused by competition for learners. The Council reached an agreement with its schools that sixth forms no longer provide level one and two courses. This reduces duplication and enhances provision because the further education college is seen as a more relevant environment for those particular learners.
- 26 Most councils' planning and activity to date have focused on young people aged 16 to 18, although some, including Wrexham Council, have broadened the age range they actively support. For example, the Council has introduced a project specifically targeting vulnerable young people aged 16 to 25. The project supports young people – including young offenders and looked after children - to access and maintain education, employment and training opportunities.

³ National Survey for Wales, 2012-13: Satisfaction with local authority services. Welsh Government Social Research, May 2014 ISBN 978-1-4734-1387-0

- 27 The Council has relaxed the entry requirements for its own apprenticeship scheme to encourage applications from a wider range of young people. In common with most councils, the apprenticeship scheme in Wrexham targets 16 to 17 year olds, including those who are NEET. But after reviewing barriers to entry, the Council no longer requires applicants to hold at least five GCSEs at grades A* to C. This change means that more young people are eligible to apply, including those more likely to be NEET.
- 28 The proportion of all pupils in Wrexham that left compulsory education, training or work based learning without an approved external qualification⁴ improved during 2013-14, but performance remained amongst the worst in Wales. Although the number of young people affected is relatively low, lack of qualifications can be a major barrier to young people trying to enter the competitive jobs market or higher education.

Some aspects of the Council's approach to managing the impact of welfare reform changes reflect good practice, but the associated performance management arrangements are under-developed and could hinder effective decision-making

- 29 In January 2015, we published a national report which explored how councils are managing the impact of welfare reform changes on social housing tenants in Wales. The report concluded that changes being made to the Housing Benefit system as part of welfare reform will affect a greater proportion of social-housing tenants in Wales than in England or Scotland. Some social-housing tenants are also experiencing increasing levels of poverty, debt and exclusion which coincide with these changes. The national study also reviewed the management and use of DHP by councils in Wales and concluded that the allocation, distribution, administration and use of these payments have significant inconsistencies and weaknesses. We followed these issues up at all unitary councils. This section of the report summarises the Wrexham-specific issues referred to in the national report and also includes our findings in relation to DHP.
- 30 We found that councils have generally been good at providing training on the key changes to benefits, although the quality and range of coverage varied. The best approaches consider the wider community impact and engage with housing, social services, supporting people, advice staff and councillors as well as finance staff. Wrexham Council provides regular updates on welfare-reform changes in its corporate staff newsletter and runs regular councillor workshops to support local policymaking and accountability arrangements.

⁴ EDU002i: The percentage of all pupils (including those in local authority care), in any local authority maintained school, aged 15 as at the preceding 31 August that leave compulsory education, training or work based learning without an approved external qualification. (Wrexham 2012-13: 1.1 per cent, 2013 14: 0.5 per cent. National average 0.3 per cent). Source: Focused on our Performance 2013-14; Wrexham County Borough Council. Appendix 1

- 31 We also found that the quality of performance indicator data collected and reviewed, and the frequency of collection and reporting by councils, are mixed. However, many councils, including Wrexham Council, have not set measures to enable them to judge progress in delivering actions and evaluating impact. Rather, they are simply relying on long-established performance indicators such as the amount of rent arrears outstanding, numbers on the waiting list and average re-let times. Whilst such indicators provide some useful information, they do not provide sufficient depth of understanding of the true impact of welfare reform locally and do not support robust scrutiny of progress and performance.
- 32 The Council has introduced processes that help vulnerable customers to apply for DHP. However, our follow-up review found that Wrexham was the only council in Wales that did not require applicants to complete an application form. Instead, the Council invited applicants to write in, explaining why they should be considered for a DHP, together with a complete financial statement detailing their income and expenditure. The Council then used the information provided to determine the level of assistance it could offer. Whilst this informal approach provided some flexibility, the lack of clear guidance for applicants on what constitutes a 'complete financial statement' did not promote consistent decision-making. It was also likely to introduce delays which adversely affected applicants and increased Council administration costs.
- 33 At the time of our review, the Council's website included useful information to support applicants but incorrectly stated that DHP was available to help applicants meet the cost of Council Tax. Following our feedback, the Council amended the information it provides on eligibility, confirmed that no payments had been made in respect of Council Tax and was taking action to improve the quality and range of its public information. However, the Council's website still does not clearly explain the Council's approach to DHP to potential applicants. This lack of clarity might deter some eligible applicants from applying.
- 34 The Council monitors the level of DHP expenditure against the amount provided by the Department for Work and Pensions (DWP), the number of customers helped and the amount spent in relation to areas of Welfare Reform, such as Spare Room Restrictions. However, it does not monitor its speed at processing applications or the number of landlords assisted and does not assess the tangible impact that DHP has on vulnerable people. This means the Council cannot be sure that DHP payments are going to those in the greatest need.
- 35 Demand significantly exceeded the supply of DHP funding available in 2014-15. By the end of November 2014, the Council had committed most (98 per cent) of its 2014-15 DWP allocation (£226,000), assisting 997 applicants. When demand is high, a robust understanding of the impact that DHP support can have would help the Council to target DHP support more effectively.

- 36 Inconsistencies in the administration of DHP are now being addressed across Wales following collaboration with the Welsh Government, Welsh Local Government Association and the Welfare Reform Club. Protocols intended to improve consistency have been agreed with 20 Local Authorities, including the Council, and were introduced in April 2015. The aims of the joint policy framework are to provide fair and consistent decisions to all applicants; support decisions designed to improve outcomes for people; and promote efficient and effective use of the DHP budget to avoid in-year re-prioritisation as a way of balancing the budget.

The Council made significant progress against its housing-related improvement priorities during 2013-14 and remains on schedule to meet challenging improvement targets for its housing stock

- 37 In our 2014 AIR, we noted that the Council had made limited progress against its priority to provide homes that meet people's needs and aspirations during 2012-13. During 2013-14, the situation improved significantly. For example, 96 new affordable homes were completed – a substantial improvement on the 21 affordable homes completed in 2012-13. This meant that, for the first time in four years, the Council was able to meet its affordable housing target. Since 2013-14, the pace of construction has more or less been maintained. Although only 57 new affordable homes were completed in 2014-15, against a target of 96, a further 43 new homes were completed in early 2015-16, having been scheduled for completion in 2014-15, but delayed by unanticipated site issues.
- 38 The Council's ambition for 390 new affordable homes by 2016 remains challenging, but it anticipates just over 200 affordable homes arising from developments already underway or scheduled to start during 2015-16, with the balance coming from sites at the pre-planning or pre-development stage. It is important to recognise that the Council does not have any direct influence over the pace at which affordable homes are developed by Registered Social Landlords or private developers.
- 39 The Council is also developing a new Local Development Plan, covering the period to 2028, which will set out its arrangements for delivering the latest Welsh Government household projections. This would provide a clearer framework for planning decisions and may support the Council's efforts to increase the long-term supply of new affordable housing.

- 40 The impact of the new affordable homes being built in the county borough is slightly offset by an increase in Right to Buy sales of social housing. During 2013-14, 22 'council houses' in Wrexham were sold under the current Right to Buy legislation – an increase on the 15 sold in 2012-13 and more than in other councils in North Wales. Across Wales, 253 homes were sold during 2013-14 – a 49 per cent increase over the previous year. The Welsh Government has announced a consultation on abolishing the Right to Buy in Wales and a few councils have already temporarily suspended the Right to Buy in their areas for three years. The Council has no proposals to suspend Right to Buy sales unless legislation requires it to do so and is actively exploring opportunities to increase the supply of homes within the county borough. For example, the Council has well-developed plans to build new council houses in Wrexham for the first time this century, following the April 2015 reform of the Housing Revenue Account Subsidy.
- 41 The Council's track record in tackling homelessness also improved during 2013-14, although the Council recently reported a reduction in performance during 2014-15⁵. During 2013-14, performance in areas such as the length of stay in temporary accommodation and the speed of decision-making in relation to homelessness prevention improved significantly and was better than the Welsh average. Fewer people in Wrexham were accepted as being in housing need and priority homeless during 2013-14 and the number of homeless households in temporary accommodation decreased. The improved performance has helped the Council to reduce the cost of dealing with homelessness by £250,000 since 2012-13.
- 42 The Council has continued to make steady progress against the target for meeting the Welsh Housing Quality Standard (WHQS) by the end of 2020. Although only 722 Council homes (out of over 11,300 homes) in Wrexham were fully WHQS-compliant⁶ by the end of 2013-14, the Council has continued to make good progress with individual elements of the housing improvement programme. For example, following an investment of £34 million during 2014-15, 71 per cent of the housing stock had heating systems that were WHQS-compliant and the number of homes with up-to-date kitchens increased significantly, from 14 per cent to 37 per cent.
- 43 Although the Council remains confident of meeting the WHQS deadline by the end of 2020, the outstanding work needed still represents a significant challenge. The Council estimates that investment of up to £255 million is required to complete the work. An investment of this scale is unrealistic in the short term, so the Council has consulted with its tenants to prioritise work on houses where the need is greatest. The Council has also agreed an investment strategy with the Welsh Government for completing the remainder of the work within the 2020 deadline.

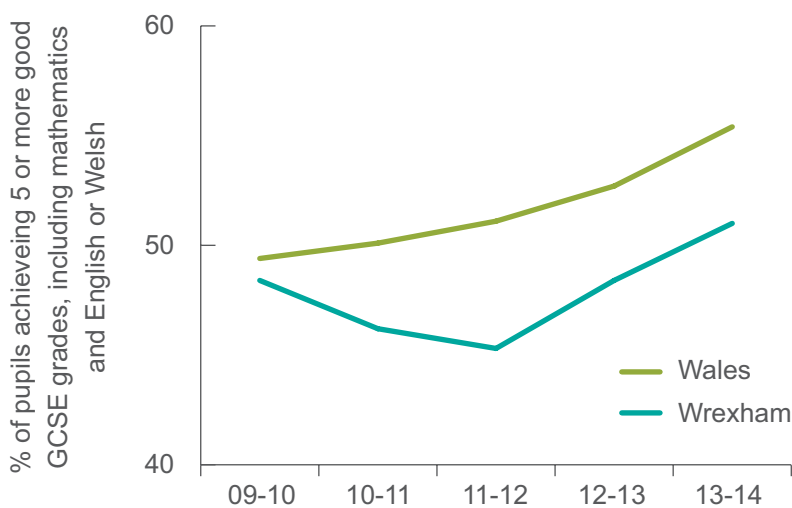
5 HHA013 The percentage of all potentially homeless households for whom homelessness was prevented for at least six months (2012-13: 13 per cent, 2013-14: 82 per cent, 2014-15: 72 per cent) Source: Council Plan 2015-17 Wrexham County Borough Council.

6 To meet the Welsh Housing Quality Standard, social housing must satisfy a range of criteria. For example, homes must be in a good state of repair, be safe and secure, have up-to-date kitchens and bathrooms and be adequately heated, fuel efficient and well insulated. All elements must meet the minimum acceptable standard for a house to be fully WHQS-compliant.

The secondary school system remains less cost-effective than it should be but the financial position of secondary schools continues to improve

- 44 We reported last year that, despite some improvements, the Council's secondary school system was not as cost effective as it might be. There had been good improvements in GCSE results in 2013, but results remained well below average. High levels of surplus places in secondary schools were contributing to the fact that the system was more costly to maintain than in most councils.
- 45 GCSE results improved slightly in 2014 but results in Wrexham remain in the lowest quartile for councils in Wales. On most indicators, GCSE performance worsened in comparison with other councils. Four of the nine secondary schools performed less well than 75 per cent of other similar schools elsewhere in Wales.
- 46 **Exhibit 1** shows the percentage of pupils in Wrexham schools that have achieved five or more good GCSE grades, including English or Welsh and mathematics in 2014 and in each of the four previous years.

Exhibit 1



Source: Stats Wales

- 47 The graph shows that, since 2012, performance has improved steadily. However, the gap has narrowed only slightly between performance in Wrexham and the Wales average. Performance against this indicator was 18th among the 22 councils in Wales in both 2013 and 2014.
- 48 The level of surplus places in secondary schools, as reported in January 2014, increased slightly on the previous year to 24.5 per cent. This contributes to the cost of secondary education, which remains high compared with most other councils. However, the number of pupils in primary schools is increasing more quickly than in most councils. If these pupils choose to transfer to Wrexham secondary schools, then the number of surplus places in Wrexham secondary schools will begin to fall in due course.
- 49 The improvement that we reported last year in the financial position of secondary schools has continued. Eight of the nine schools carried forward small surpluses into the 2014-15 financial year.

The Council has made progress in the majority of improvement areas previously identified by the CSSIW, but areas of weaker performance remain in both Children's and Adult services

- 50 The Care and Social Services Inspectorate Wales (CSSIW) published its Annual Review and Evaluation of Performance 2013-14 for Wrexham in October 2014. This section of the report provides a short summary of key findings in the CSSIW annual review; the full report is available online at www.cssiw.org.uk.
- 51 The CSSIW found that the Council is continuing to implement change and deliver services in line with its strategic direction and business plan. The focus is on prevention and on supporting people to use community resources whilst ensuring that the safeguarding of children and vulnerable adults remains a priority. New service models have been introduced in collaboration with other statutory partners and between adult and children's services.
- 52 Wrexham Council spends slightly less per head of population on social services and employs slightly fewer staff than the average for Wales. Wrexham's Director of Social Services report (the Director's report) and supporting evidence clearly refer to the need to reshape services to meet budget pressures.
- 53 The Council has signed a joint statement of intent with Betsi Cadwaladr University Health Board (BCUHB) about the integration of services for older people with complex needs. It has also agreed a plan with BCUHB for the development of intermediate care services. Whilst there has been some progress, the completion of partnership strategic plans with health (and their implementation) remains a challenging area for the Council, in common with other councils in North Wales.

- 54 There was progress in the majority of improvement areas previously identified in the 2012-13 Annual Review. In children's services, positive developments included improvement in the re-referral rate and in the proportion of children seen and seen alone during assessment and in actions taken to improve the quality of assessments, as well as staff morale and stability.
- 55 There were areas of weak performance. In 2013-14, the Council remained in the lowest quartile for the timeliness of initial and core assessments in children's services. This factor, in addition to the drop in performance with regard to some areas of the work relating to children who are looked after, may have reflected pressure on staffing resources, despite some staffing and management increases in recent years.
- 56 In adult services, 2013-14 performance in relation to the review of care plans for service users was poor. Whilst this was identified as a priority in the Department's 'Reshaping Business' plan for 2014-15, it was not highlighted or analysed in detail in the Director's report or supporting evidence and the potential for further improvement was unclear.
- 57 During 2014-15 the CSSIW also inspected the Council's approach to the safeguarding of and care planning for looked-after children and care leavers who exhibit vulnerable or risky behaviour. The inspection was carried out as part of CSSIW's national thematic inspection programme, involving fieldwork in each local authority across Wales during early 2014. The aim of the national inspection was to assess the quality of care planning across Wales and whether it effectively:
- a supports and protects looked after children and care leavers;
 - b identifies and manages the vulnerabilities and risky behaviour of looked-after children and care leavers;
 - c promotes rights-based practice and the voice of the child;
 - d promotes improved outcomes for looked-after children and care leavers; and
 - e promotes compliance with policy and guidance.
- 58 Findings from the individual local authority inspections and the CSSIW national overview report can be found on the [CSSIW website](#). We summarise below those findings relating to Wrexham that have particular corporate significance.

- 59 CSSIW found that, in relation to safeguarding and care planning for looked-after children and care leavers who exhibit vulnerable or risky behaviour:
- a the Council's management team provides clear leadership and a positive ethos, exemplified by the investment in the multi-agency Wrexham Repatriation and Prevention Project (WRAPP);
 - b corporate parenting arrangements are strong;
 - c there are effective arrangements between partners for gathering and sharing information about the risks posed by looked-after children and care leavers, and systems to inform senior officers appropriately are in place;
 - d the Council appeared to have enough suitably skilled and experienced staff working with looked-after children and care leavers, and the workforce is stable; and
 - e there are well-established performance monitoring arrangements in place in relation to key performance indicators.
- 60 However, CSSIW also reported that:
- a placement and commissioning strategies were underdeveloped, although work was underway to address this;
 - b the resilience of the relationship with the Local Health Board depends too heavily on the Council paying for the therapeutic needs of looked-after children and care leavers;
 - c there is a gap in the availability of appropriate services to meet the emotional, psychological health or developmental needs of some children and young people, leading to an over-reliance on social services; and
 - d risk assessments and ongoing risk management arrangements are not co-ordinated, recorded and shared well enough, particularly when more than one agency is involved.
- 61 The Wales Audit Office also completed a parallel review of safeguarding, focusing on the effectiveness of relevant governance and management arrangements at all councils in Wales. The key conclusions from that review are reported within the Governance section of this report.

The Council's progress in supporting and promoting the Welsh language has been inconsistent

- 62 The role of the Welsh Language Commissioner (the Commissioner) was created by the Welsh Language (Wales) Measure 2011. New powers to impose standards on organisations came into force through subordinate legislation on 31 March 2015. The Commissioner will continue to review Welsh-language schemes by virtue of powers inherited under the Welsh Language Act 1993.
- 63 The Commissioner works with all councils in Wales to inspect and advise on the implementation of language schemes. It is the responsibility of councils to provide services to the public in Welsh in accordance with the commitments in their language schemes. Every council is committed to providing an annual monitoring report to the Commissioner outlining its performance in implementing the language scheme. The Commissioner analyses every monitoring report, provides a formal response and collects further information as required.
- 64 The Council has fallen short of fulfilling its commitment to mainstream and embed the Welsh language into its service delivery. In last year's AIR, we noted that not enough of the Council's front-line staff could speak Welsh for it to offer a completely bilingual service. The Commissioner has reported that this remained the case in 2013-14. The Council did not meet its target for increasing the number of staff who can speak Welsh; in fact the proportion of bilingual Council staff fell during the year, albeit by just 0.1 per cent.
- 65 The proportion of vacancies advertised with Welsh as an essential skill also fell. However, a mystery shopper exercise exploring staff compliance when responding to Welsh-speaking telephone callers showed a small improvement since 2011-12. Despite its intentions, the Council did not produce a comprehensive analysis of the number of Welsh speakers by service, grade and workplace. However, the Council has now introduced a compulsory Welsh Language Awareness online training module for all members of staff.

Governance

During 2014-15, the Council's improvement planning and performance reporting arrangements met the requirements of the Local Government (Wales) Measure 2009

- 66 Since the last AIR, the Auditor General has revised his arrangements for confirming whether councils have discharged their statutory duties in respect of improvement planning and reporting. The original notification process of issuing 'Letters' (known as IA1 and IA2) has been superseded by Certificates of Compliance that confirm whether councils have discharged their duties under the Local Government (Wales) Measure 2009 and acted in accordance with Welsh Government guidance.
- 67 In June 2014, we audited the Council's new improvement plan (Council Plan 2014-17) and issued a certificate to confirm that the Council had discharged its statutory improvement planning duties. In October 2014, we audited the Council's annual performance report (Focused on our Performance 2013-14) and issued a certificate to confirm that the Council had discharged its statutory improvement reporting duties. Copies of these certificates are included in [Appendix 2](#) and [Appendix 3](#).

Council policies and procedures provide useful support for the Local Service Board, but the scrutiny, performance management and stakeholder engagement arrangements are not yet fully effective

- 68 During 2014 we assessed the effectiveness of the arrangements intended to help Wrexham's LSB co-ordinate and jointly deliver better outcomes for local people. The LSB, which was established in 2007, involves a range of public and third-sector organisations active in the county borough. Council policies and procedures support the LSB and Council officers provide administrative support to the LSB Executive and the associated Delivery Boards.
- 69 Our review found that the LSB had developed its governance structure, but that scrutiny, performance management and stakeholder engagement arrangements needed strengthening. At the time of our review, the LSB had made good progress in developing its structure, but the arrangements were not fully effective at holding partners to account or demonstrating value for money. The LSB was also exploring opportunities to improve the way it engaged with stakeholders, having recognised that its arrangements were not fully effective.
- 70 The forthcoming CA will follow up progress against the proposals for improvement arising from our 2014 review of the LSB's arrangements. The CA framework assesses the extent to which a council's 'collaboration and partnership arrangements are working effectively to deliver improved performance and outcomes'.

The Council's approach to whistleblowing is generally sound, but there are a few opportunities to strengthen some of the associated arrangements

- 71 During 2014, we reviewed whistleblowing arrangements at all unitary authorities in Wales and provided feedback on our findings. In Wrexham, we found that the Council's whistleblowing arrangements are generally sound, but also identified opportunities for the Council to strengthen some of the associated processes and the training it provides to officers and members.
- 72 Our feedback included proposals for improvement that focused on increasing staff awareness of the whistleblowing arrangements and involving members more widely in future internal reviews of the arrangements. We will review the actions subsequently taken by the Council in response to our feedback during the forthcoming CA. The CA framework includes a comprehensive review of governance arrangements, including the extent to which the Council's 'ethos and culture support the highest standards of good governance and real accountability'.

The Council's arrangements for safeguarding children are generally adequate – with some areas of weakness which the Council is addressing

- 73 During 2013-14, we reviewed the safeguarding arrangements for children across Wales. In Wrexham we found the governance and management procedures for overseeing whether the Council is meeting its safeguarding responsibilities to children were adequate, as were the Council's arrangements for monitoring and evaluating its safeguarding responsibilities to children.
- 74 We also found that some aspects of the Council's safeguarding arrangements needed strengthening. For example members and staff did not demonstrate a robust awareness of the Council's local accountability arrangements. In addition, the Council's approach to identifying and acting on improvements in its safeguarding arrangements had some weaknesses. The Council has subsequently taken action to strengthen these arrangements through its internal audit arrangements for safeguarding. A national report, based on all of the safeguarding reviews we completed, is scheduled for publication by mid-2015.

The Council has recognised the need to review and strengthen its scrutiny arrangements and is taking action, supported by external specialists

- 75 During 2014, the Council recognised the need to strengthen its scrutiny arrangements and commissioned the Centre for Public Scrutiny⁷ (CfPS) to help it deliver a collaborative programme of support. To avoid unnecessary duplication, we scaled down our original plans for an in-depth review of governance and instead, focused on aspects which complemented the work being delivered by the CfPS. With the agreement of the Council, we observed a range of scrutiny meetings during late 2014, interviewed scrutiny chairs to assess the robustness of the existing arrangements and fed back our preliminary findings. This section of the report summarises the key issues arising from that work.
- 76 At the formal scrutiny meetings we observed, senior officers took a prominent role in delivering reports and responding to scrutiny questions. Whilst Executive Members attend the majority of scrutiny committee meetings, they are not routinely questioned regarding policies, decisions and service performance and, instead, attend largely as observers. The scrutiny arrangements we observed were not always efficient; some meetings focused on a narrow range of issues and did not explore performance or the implications for improvement in any depth. Some scrutiny reports were provided 'for information'; committees frequently 'noted' reports rather than drawing conclusions and/or making clear recommendations.
- 77 Whilst there are examples of pre-decision scrutiny in Wrexham influencing decision-making, there have also been situations where key decisions by the Executive were not considered by the appropriate scrutiny committee. The Chairs of scrutiny we spoke to believed that the scrutiny processes were effective at improving outcomes. They also regarded the scrutiny arrangements for non-Executive members to challenge or influence policy as effective. However, we found limited evidence of impact from scrutiny activity in Wrexham over recent years.
- 78 The preliminary work completed by CfPS – based on surveys of Members and senior officers during 2014 – also identified opportunities for the Council to strengthen its arrangements. Whilst scrutiny and Executive roles are clear, arrangements for equipping people to discharge their roles, and for holding them to account, are not fully developed. The CfPS has suggested a further series of measures to improve the value-added aspect of scrutiny and improving the effectiveness of scrutiny committee members in holding the Executive to account. The Council has now established a working group to develop an action plan in response to the CfPS report and to explore options for improving the value added by Scrutiny at both pre- and post-decision stages.

⁷ The Centre for Public Scrutiny (CfPS) is a registered charity, established to promote public scrutiny, accountability, transparency and involvement, for the public benefit.

79 The Council is now working with CfPS on a range of initiatives, including the introduction of more balanced work programmes and more robust reviews of performance and progress against improvement objectives. These activities have the potential to address the weaknesses we identified. We will revisit the effectiveness of the Council's scrutiny arrangements in more depth during the forthcoming CA. The governance section of the CA framework assesses the extent to which the Council's 'challenge, scrutiny and review processes ensure a range of informed views are sought and actively considered to aid decision-making and improvement.'

The Council's business planning framework is generally well integrated and most staff understand how their contribution supports the Council's strategic objectives

80 In the previous AIR, we reported some weaknesses with the Council's business planning arrangements. Whilst the Council's improvement planning during 2013-14 'continued to provide a clear strategic direction for the Council, its service-level plans did not always provide a clear route-map for driving service improvement'. During late 2014 we revisited the Council's business planning arrangements to assess the changes that had been introduced since our earlier review.

81 The Council has avoided being too prescriptive about the format of individual departmental service plans, so long as they are fit for purpose. Consequently, departmental plans are not necessarily produced in a consistent format, but we found that the Council's business planning arrangements are being implemented consistently and are well understood by the majority of staff.

82 We also found that departmental planning arrangements support the development of business plans that are dynamic and are owned by staff. The sample of plans we reviewed were appropriately structured and explicitly supported the Council's improvement objectives. The business plans we reviewed were those in use at the time, covering 2014-15. The Council's approach for producing the 2015-16 departmental plans has been to consolidate and further embed the changes it made during 2014-15. The forthcoming CA will comprehensively assess whether the Council is effectively managing its improvement programme. This section of the CA framework explores whether 'the Council's improvement planning arrangements support robust and effective decision making and improvement'. To answer this, we will review a range of 2015-16 business plans – including departmental plans we have not previously reviewed – to understand their links with, and contribution to, the Council Plan.

It is too soon to assess the impact of recent constitutional changes on the effectiveness of the Council's governance arrangements and decision-making processes

- 83 Until recently, the Council's constitution required it to operate a politically balanced Executive Board. This approach, which was unique in Wales, had widespread support from members in Wrexham, despite the introduction of the Local Government Act (2000), which removed the requirement for political balance. Until September 2014, all five political groups within the Council therefore held seats on the Executive Board.
- 84 In September, political differences led to the creation of a new political group, with two members. However, the Council's proportionality rules meant that a group of two was not entitled to a seat on the Executive Board. This group therefore became the only 'non-executive group', as defined by the 2011 Local Government Measure.
- 85 The 2011 Local Government Measure requires councils to allocate the chairs of certain committees to non-executive groups. The new group took up the chair of a Scrutiny Committee, as required by the 2011 Measure, but the chairs of the Democratic Services and Audit Committees remained occupied by councillors from groups that were represented on the Executive. Prompted by the queries we raised, the Council took legal advice which confirmed that the allocation of the Chairs of Democratic Services and Audit Committees did not comply with the Measure.
- 86 The Council's response has been to amend its constitution, removing the requirement for a balanced Executive, so that membership of the Executive is wholly at the discretion of the Council. This change has created three 'opposition' groups, with sufficient non-executive members from which scrutiny and other committee chairs can be appointed. The changes to the Constitution are sustainable and capable of dealing with a wide range of permutations in Group composition. However, in the short term, the changes may change the dynamics in the way that members work with each other and with officers.
- 87 The changes to the constitution will take time to bed in. We will explore the impact of the changes and the ways in which officers and members have adapted during the forthcoming CA. Governance features prominently in the CA framework. To understand whether 'the Council's governance and accountability arrangements support robust and effective decision making', we will assess a range of issues, including whether:
- a clear roles and responsibilities promote good governance and strong accountability;
 - b elected members and officers demonstrate appropriate values and behaviour;
 - c arrangements support members and senior officials to be effective in their role;
 - d decision making across the Council is robust and effective; and
 - e challenge, scrutiny and review processes ensure a range of informed views are sought and actively considered, to aid decision making and improvement.

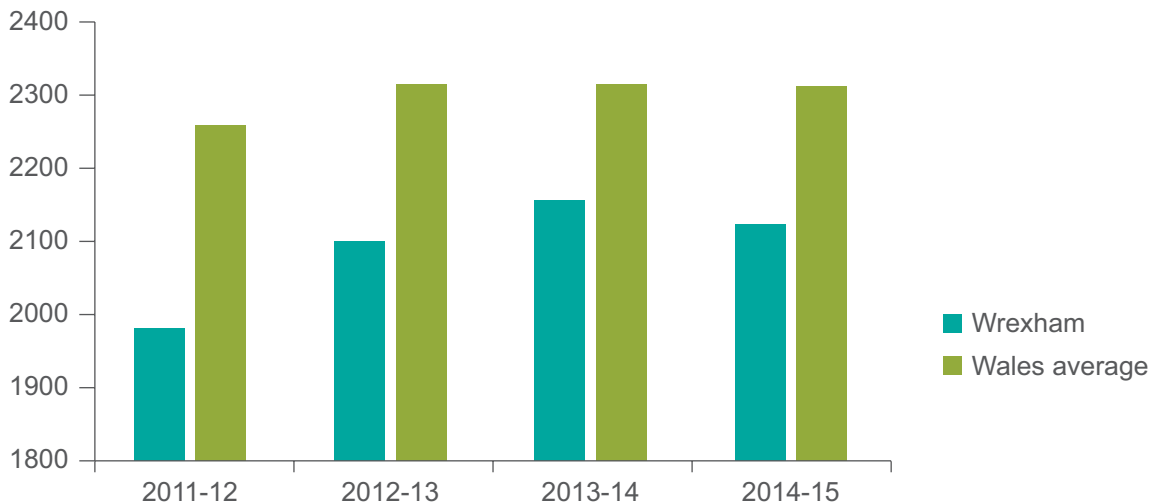
Use of resources

The Council has effective financial management arrangements with no immediate shortcomings

- 88 During 2014, we completed a financial position review at all 22 councils in Wales to assess the effectiveness of their arrangements to promote financial resilience. The reviews focused on the 2014-15 financial planning period and councils' track record of planning and delivering their budgets from 2011-12 onwards. We produced local reports for each council and a national report, which was published in January 2015. This section of the report summarises our review of the Council's arrangements.
- 89 The Council has a good track record of accurately identifying and meeting its annual budget shortfall. Between 2011-12 and 2013-14, the Council accurately identified its annual budget shortfall and developed a range of savings to fully meet the gap. The Council's budgetary control arrangements are underpinned by detailed guidance and monitoring arrangements at officer, member and executive level. Financial forecasting arrangements are well developed and forecasts are regularly reviewed.
- 90 The Council's plans and arrangements to deliver 2014-15 savings plans were fit for purpose and were effectively managed. At the time of our review, the Council's saving plans seemed likely to be achieved, but the medium-term outlook remained extremely challenging, as it did for councils throughout Wales. The Council has an effective corporate framework for financial planning and exercises effective financial management and control. It also has a robust framework for reviewing and challenging financial performance.
- 91 Although there were no proposals for improvement arising from the review, we encouraged the Council to enhance its Medium Term Financial Strategy by developing key performance indicators, targets for reserve balances and more explicit links to workforce planning.
- 92 For late 2015, we have scheduled a follow-up review of this work at all councils, focusing on arrangements for setting the 2016-17 budget and the strategic approach to the use of financial reserves. Since the timing of the follow-up review coincides with the Council's CA, it will be delivered and reported as an integral part of the CA. The CA framework includes a comprehensive Use of Resources section which assesses whether the Council is 'managing its resources effectively to deliver its planned improvements in performance and outcomes'.
- 93 At the time of our review, the Council anticipated that it needed to make additional savings of at least £45 million over the next three years. This represents a significant challenge; the Council understands the importance of keeping its options open, to help it develop a range of efficiency savings. When setting its 2015-16 budget, the Council identified savings of £11.6 million, taking account of widespread consultation, and increased Council Tax by three per cent. It planned no use of reserves to fund recurring expenditure.

94 **Exhibit 2** below compares the Council's planned gross revenue expenditure (net of income) per head of population over the last four years with the average for councils across Wales.

Exhibit 2



Source: Stats Wales

95 The graph shows that expenditure per head in Wrexham is well below the Wales average. This reflects factors such as deprivation and rurality that influence the Welsh Government's distribution formula for Revenue Support Grant (RSG). RSG is falling, but the reductions have been lower in Wrexham than in most councils. As a result, the gap between expenditure levels in Wrexham and the Wales average has closed since 2011-12. We calculate that spend per head in Wrexham has increased by one per cent in real terms since 2011-12 compared with an average three per cent reduction across Wales.

96 We include in **Appendix 6** some information about the distribution of the Council's financial resources in 2013-14 and about trends in the Council's gross revenue expenditure and income since 2008-09. The data are drawn from the Council's Statements of Accounts.

97 As in all councils, the cost of education and social care forms a high proportion of the Council's expenditure. A little under half its gross income for 2013-14 derived from the Rate Support Grant (35.6 per cent) and Non-Domestic Rates (10.6 per cent). These are income sources over which the Council has no control. Income from Council Tax formed a lower than average proportion of total income, while fees and charges represented 41.3 per cent of the Council's income for 2013-14, well above the Wales average of 37 per cent.

The Council is generally delivering environmental health services at above minimum levels; whilst budgets have increased marginally, staff numbers have fallen and stakeholders have mixed views on the Council's management of services

98 During 2013-14, we completed the first in a series of studies exploring how councils in Wales are dealing with the financial challenges they face – under the theme of 'delivering with less'. The study – which involved all 22 councils – reviewed the impact of cuts in resources on the ability of council environmental health services to deliver their statutory obligations. We published a national report in October 2014 which included a range of recommendations for stakeholders, including all councils, to consider and action where appropriate. We also provided the Council with feedback on the local arrangements we reviewed; this section of the report summarises our key findings from the review.

99 Our review found that the Council is delivering most of its environmental health services at minimum levels or above, as judged against the Best Practice Standards⁸. However, Council staff who responded to our survey had mixed views on the current standard of environmental health service. Although the Council increased expenditure on environmental health between 2011-12 and 2013-14, the number of staff involved in delivering the service reduced. This, alongside wider budgetary pressures affecting all councils, may affect the Council's ability to respond effectively to new environmental health statutory duties.

100 Wrexham was amongst 17 Welsh councils that prioritised environmental health work within their 2013-14 improvement objectives – a priority the Council has retained in its 2014-17 and 2015-17 Council Plans. However, our survey found that local citizens were generally unaware of the current performance of, or future plans for, the environmental health service.

101 Increasingly, the Welsh Government considers that certain services, such as education, waste and social services should be delivered jointly or across regions. Small-scale collaboration in relation to environmental health does take place in Wrexham; the Council jointly funds an Animal Health Environmental Health Officer post with Flintshire County Council. We will revisit the Council's approach to collaboration and partnership in more detail during the forthcoming CA, which will explore whether 'collaboration and partnership arrangements work effectively to deliver improved performance and outcomes'.

⁸ Chartered Institute of Environmental Health Wales and all Wales Heads of Environmental Health Group, Best Practice Standards, October 2013.

- 102 Other studies exploring how council services are 'delivering with less' – and making effective use of their resources – are either underway or planned. The focus of the 2014-15 study was leisure services; the outcome from this study will be reported during summer 2015. During 2015-16 we have scheduled two new national studies under the 'delivering with less' theme. These studies will focus on the strategic approach to income generation and charging for services and on council funding of third-sector services. The outcome from these national studies will be reported in 2016 and will provide useful insight into the effective use of resources across local government in Wales.

Workforce planning arrangements are now embedded and are being implemented systematically

- 103 In 2010, we reported that the Council's corporate workforce planning arrangements were under-developed. In the 2014 AIR, we reported that the Council had made good progress at strengthening the arrangements. However, the arrangements were not fully embedded at that stage, so the proposal for improvement remained valid.
- 104 Our progress review at the end of 2014 found that workforce planning arrangements were being applied systematically and were better embedded; the Council has satisfactorily addressed the proposal for improvement. However, our short review did not explore how well the workforce planning arrangements support the Council's strategic objectives and wider efficiency agenda. We intend to follow up this work during the forthcoming CA to assess the effectiveness and impact, of the revised arrangements. The use of resources section of the CA framework assesses whether a council has 'effective arrangements in place to manage and utilise its workforce'. The CA framework also explores the extent to which corporate strategies covering key areas such as workforce planning, asset management, information technology and finance are aligned.

Audit of the Council's accounts

- 105 On 27 November 2014 the Auditor General issued an Annual Audit Letter to the Council. The letter summarises the key messages arising from his statutory responsibilities under the Public Audit (Wales) Act 2004 as the Appointed Auditor and his reporting responsibilities under the Code of Audit Practice. The Auditor General issued an unqualified opinion on the Council's accounting statements confirming that they present a true and fair view of the Council's financial position and transactions. The Annual Audit Letter can be found in [Appendix 4](#) of this report.

Appendix 1 – Status of this report

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

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

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

The annual improvement assessment is the main piece of work that enables the Auditor General to fulfil his duties. The improvement assessment is a forward-looking assessment of an authority’s likelihood to comply with its duty to make arrangements to secure continuous improvement. It also includes a retrospective assessment of whether an authority has achieved its planned improvements in order to inform a view as to the authority’s track record of improvement. The Auditor General will summarise his audit and assessment work in a published annual improvement report for each authority (under section 24).

The Auditor General may also, in some circumstances, carry out special inspections (under section 21), which will be reported to the authority and Ministers, and which he may publish (under section 22). An important ancillary activity for the Auditor General is the co-ordination of assessment and regulatory work (required by section 23), which takes into consideration the overall programme of work of all relevant regulators at an improvement authority. The Auditor General may also take account of information shared by relevant regulators (under section 33) in his assessments.

Appendix 2 – Audit of Wrexham County Borough Council’s 2014-2017 Council Plan

Certificate

I certify that I have audited the 2014-2017 Council Plan produced by Wrexham County Borough Council (the Council) in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

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

Respective responsibilities of the Council and the Auditor General

Under the Measure, the Council is required to prepare and publish an Improvement Plan describing its plans to discharge its duties to:

- make arrangements to secure continuous improvement in the exercise of its functions;
- make arrangements to secure achievement of its improvement objectives; and
- make arrangements to exercise its functions so that any performance standard specified by Welsh Ministers is met.

The Measure requires the Council to publish its Improvement Plan as soon as is reasonably practicable after the start of the financial year to which it relates, or after such other date as Welsh Ministers may specify by order.

The Council is responsible for preparing the Improvement Plan and for the information set out within it. The Measure requires that the Council has regard to guidance issued by Welsh Ministers in preparing and publishing its plan.

As the Council's auditor, I am required under sections 17 and 19 of the Measure to carry out an audit of the Improvement Plan, to certify that I have done so, and to report whether I believe that the Council has discharged its duties to prepare and publish an Improvement Plan in accordance with statutory requirements set out in section 15 and statutory guidance.

Scope of the Improvement Plan audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information, or whether the Improvement Plan published by the Council can be achieved. Other assessment work that I will undertake under section 18 of the Measure will examine these issues. My audit of the Council's Improvement Plan, therefore, comprised a review of the plan to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the plan complied with the requirements of the legislation, and that the Council had regard to statutory guidance in preparing and publishing its plan.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

Recommendations under the Local Government (Wales) Measure 2009

There are no recommendations arising from the audit of Wrexham County Borough Council's Council Plan 2014-17.

Huw Vaughan Thomas
Auditor General for Wales

CC: Lesley Griffiths, Minister for Local Government and Government Business
Huw Lloyd Jones: Manager
Paul Goodlad: Performance Audit Lead

Appendix 3 – Audit of Wrexham County Borough Council’s assessment of 2013-14 performance

Certificate

I certify that I have audited Wrexham County Borough Council’s (the Council) assessment of its performance in 2013-14 in accordance with section 17 of the Local Government (Wales) Measure 2009 (the Measure) and my Code of Audit Practice.

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

Respective responsibilities of the Council and the Auditor General

Under the Measure, the Council is required to annually publish an assessment which describes its performance:

- in discharging its duty to make arrangements to secure continuous improvement in the exercise of its functions;
- in meeting the improvement objectives it has set itself;
- by reference to performance indicators specified by Welsh Ministers, and self-imposed performance indicators; and
- in meeting any performance standards specified by Welsh Ministers, and self-imposed performance standards.

The Measure requires the Council to publish its assessment before 31 October in the financial year following that to which the information relates, or by any other such date as Welsh Ministers may specify by order.

The Measure requires that the Council has regard to guidance issued by Welsh Ministers in publishing its assessment.

As the Council’s auditor, I am required under sections 17 and 19 of the Measure to carry out an audit to determine whether the Council has discharged its duty to publish an assessment of performance, to certify that I have done so, and to report whether I believe that the Council has discharged its duties in accordance with statutory requirements set out in section 15 and statutory guidance.

Scope of the audit

For the purposes of my audit work I will accept that, provided an authority meets its statutory requirements, it will also have complied with Welsh Government statutory guidance sufficiently to discharge its duties.

For this audit I am not required to form a view on the completeness or accuracy of information. Other assessment work that I will undertake under section 18 of the Measure may examine these issues. My audit of the Council's assessment of performance, therefore, comprised a review of the Council's publication to ascertain whether it included elements prescribed in legislation. I also assessed whether the arrangements for publishing the assessment complied with the requirements of the legislation, and that the Council had regard to statutory guidance in preparing and publishing it.

The work I have carried out in order to report and make recommendations in accordance with sections 17 and 19 of the Measure cannot solely be relied upon to identify all weaknesses or opportunities for improvement.

Recommendations under the Local Government (Wales) Measure 2009

There are no recommendations arising from the audit of the Council's assessment of 2013 14 performance.

Huw Vaughan Thomas
Auditor General For Wales

CC: Leighton Andrews, Minister for Public Services
Huw Lloyd Jones, Manager
Paul Goodlad, Performance Audit Lead

Appendix 4 – Annual Audit Letter

Councillor Mark Pritchard – Leader
Dr. Helen Paterson – Chief Executive
Wrexham County Borough Council
The Guildhall
Wrexham
LL11 1AY

Dear Councillor Pritchard and Dr Paterson

Annual Audit Letter – Wrexham County Borough Council 2013-14

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

The Council complied with its responsibilities relating to financial reporting and use of resources

It is the Wrexham County Borough Council's (the Council) responsibility to:

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

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This code is based on International Financial Reporting Standards. On 30 September 2014, I issued an unqualified audit opinion on the accounting statements confirming that they present a true and fair view of the Council's financial position and transactions. My report is contained within the Statement of Accounts. The key matters arising from the accounts audit were reported to members of the Audit Committee in my Audit of Financial Statements report on 25 September 2014. I also identified a number of additional matters to help the Council further strengthen its systems of internal control. These matters were shared with the Head of Finance on 24 November 2014.

I am satisfied that the Council has appropriate arrangements in place to secure economy, efficiency and effectiveness in its use of resources

My consideration of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government (Wales) Measure 2009. The Auditor General will highlight areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made when he publishes his Annual Improvement Report.

I issued a certificate confirming that the audit of the accounts has been completed on 30 September 2014

My work to date on certification of grant claims and returns has not identified significant issues that would impact on the 2014 15 accounts or key financial systems

My ongoing work on the certification of grant claims and return has not identified any issues to date in relation to the accounts and/or key financial. I will report any key issues to the Head of Finance once this year's programme of certification work is complete.

The financial audit fee for 2013-14 is currently expected to be in line with the agreed fee set out in the Annual Audit Outline.

Yours sincerely

Derwyn Owen
For and on behalf of the Appointed Auditor

Appendix 5 – National report recommendations 2014-15

Date of report	Title of review	Recommendation
May 2014	Good Scrutiny? Good Question!	R1 Clarify the role of executive members and senior officers in contributing to scrutiny.
		R2 Ensure that scrutiny members, and specifically scrutiny chairs, receive training and support to fully equip them with the skills required to undertake effective scrutiny.
		R3 Further develop scrutiny forward work programming to: <ul style="list-style-type: none"> • provide a clear rationale for topic selection; • be more outcome focused; • ensure that the method of scrutiny is best suited to the topic area and the outcome desired; and • align scrutiny programmes with the council's performance management, self-evaluation and improvement arrangements.
		R4 Ensure that scrutiny draws effectively on the work of audit, inspection and regulation and that its activities are complementary with the work of external review bodies.
		R5 Ensure that the impact of scrutiny is properly evaluated and acted upon to improve the function's effectiveness; including following up on proposed actions and examining outcomes.
		R6 Undertake regular self-evaluation of scrutiny utilising the 'outcomes and characteristics of effective local government overview and scrutiny' developed by the Wales Scrutiny Officers' Network.
		R7 Implement scrutiny improvement action plans developed from the Wales Audit Office improvement study.
		R8 Adopt Participation Cymru's 10 Principles for Public Engagement in improving the way scrutiny engages with the public and stakeholders.

Date of report	Title of review	Recommendation
July 2014	Young people not in education, employment or training - Findings from a review of councils in Wales	R1 Together with partners, map and review expenditure on NEETs services to better understand the resources required to deliver the Framework.
		R2 Clarify their strategic approach to reducing the proportion of 19 to 24 year olds who are NEET as well as their approach for 16 to 18 year olds.
		R3 Focus on young people with significant or multiple barriers to engaging with education, employment or training rather than those who are more likely to re-engage without significant additional support.
		R4 Develop their objectives and targets for reducing the number of young people NEET so that they can be held to account and their work aligns with the Welsh Government's targets and objectives.
		R5 Ensure that elected members and partners fully understand that councils have a clear responsibility for leading and co-ordinating youth services for 16 to 24 year olds.
		R6 Improve the evaluation of the effectiveness and relative value for money of the services and interventions in their area that are intended to reduce the proportion of young people who are NEET.

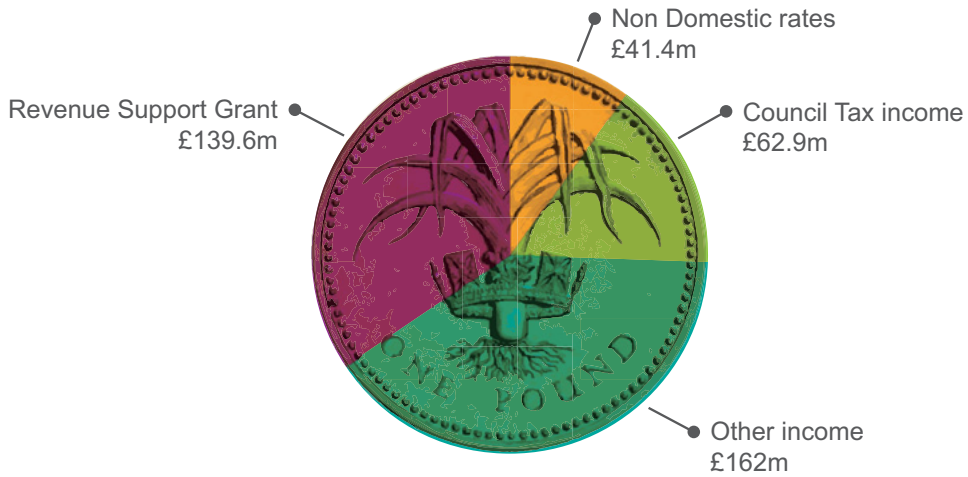
Date of report	Title of review	Recommendation
October 2014	Delivering with less – the impact on environmental health services and citizens	<p>R1 Revise the best practice standards to:</p> <ul style="list-style-type: none"> • align the work of environmental health with national strategic priorities; • identify the wider contribution of environmental health in delivering strategic priorities of the Welsh Government; and • identify the benefit and impact of environmental health services on protecting citizens.
		<p>R2 Provide scrutiny chairs and members with the necessary skills and support to effectively scrutinise and challenge service performance, savings plans and the impact of budget reductions.</p>
		<p>R3 Improve engagement with local residents over planned budget cuts and changes in services by:</p> <ul style="list-style-type: none"> • consulting with residents on planned changes in services and using the findings to shape decisions; • outlining which services are to be cut and how these cuts will impact on residents; and • setting out plans for increasing charges or changing standards of service.
		<p>R4 Improve efficiency and value for money by:</p> <ul style="list-style-type: none"> • Identifying the statutory and non-statutory duties of council environmental health services. • Agreeing environmental health priorities for the future and the role of councils in delivering these. • Determining an ‘acceptable standard of performance’ for environmental health services (upper and lower) and publicise these to citizens. • Improving efficiency and maintaining performance to the agreed level through: <ul style="list-style-type: none"> – collaborating and/or integrating with others to reduce cost and/or improve quality; – outsourcing where services can be delivered more cost effectively to agreed standards; – introducing and/or increasing charges and focusing on income-generation activity; – using grants strategically to maximise impact and return; and – reducing activities to focus on core statutory and strategic priorities.
		<p>R5 Improve strategic planning by:</p> <ul style="list-style-type: none"> • identifying, collecting and analysing financial, performance and demand/need data on environmental health services; • analysing collected data to inform and understand the relationship between ‘cost: benefit: impact’ and use this intelligence to underpin decisions on the future of council environmental health services; and • agree how digital information can be used to plan and develop environmental health services in the future.

Date of report	Title of review	Recommendation
January 2015	Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales	R1 Improve strategic planning and better co-ordinate activity to tackle the impact of welfare reform on social-housing tenants by ensuring comprehensive action plans are in place that cover the work of all relevant council departments, housing associations and the work of external stakeholders.
		R2 Improve governance and accountability for welfare reform by: <ul style="list-style-type: none"> • appointing member and officer leads to take responsibility for strategic leadership on welfare reform and be accountable for performance; and • ensuring members receive adequate training and regular briefings on welfare reform to be able to challenge and scrutinise performance and decisions.
		R3 Ensure effective management of performance on welfare reform by: <ul style="list-style-type: none"> • setting appropriate measures to enable members, officers and the public to judge progress in delivering actions; • ensuring performance information covers the work of all relevant agencies and especially housing associations; and • establishing measures to judge the wider impact of welfare reform.
		R4 Strengthen how welfare-reform risks are managed by creating a single corporate-level approach that co ordinates activity across the Council and the work of others to provide adequate assurance that all the necessary and appropriate actions to mitigate risk are taking place.
		R5 Improve engagement with tenants affected by the removal of the spare-room subsidy through: <ul style="list-style-type: none"> • the provision of regular advice and information on the options open to them to address the financial impact of the change in their circumstances; • the promotion of the ‘Your benefits are changing’ helpline; and • the provision of support to tenants specifically affected by the removal of the spare-room subsidy to participate in regional/national employment schemes.

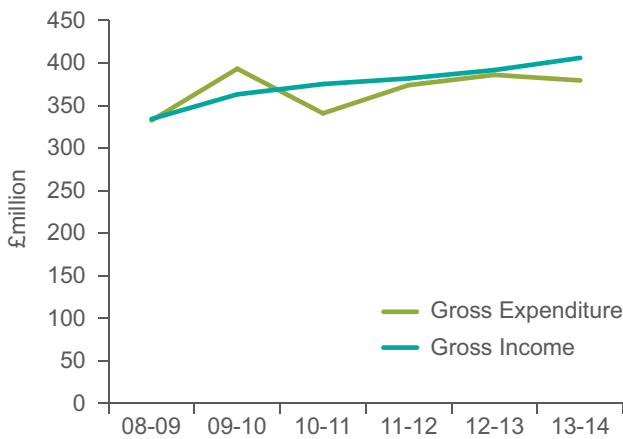
Date of report	Title of review	Recommendation
January 2015	<p>Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales</p>	<p>R7 Improve management, access to and use of Discretionary Housing Payments by:</p> <ul style="list-style-type: none"> • establishing a clear policy or guide that is available in hard copy and online to the public that sets out the Council's policy and arrangements for administering Discretionary Housing Payments; • clearly defining eligible and non-eligible housing costs covered by Discretionary Housing Payments in application forms, policy documentation and applicant guidance leaflets; • clearly setting out the maximum/minimum length of time that such payments will be provided; • setting and publishing the timescale for the Council making a decision on Discretionary Housing Payments applications; • including information within public literature on the Council's policy for right to review or appeal of a decision and the timescales and process to be followed in deciding on these; and • clearly define the priority groups for Discretionary Housing Payments in public literature to ensure that those seeking assistance, and those agencies supporting them, can assess whether such payments are a viable option to address their housing and financial needs.

Appendix 6 – Information about the Council’s income, expenditure and staffing levels

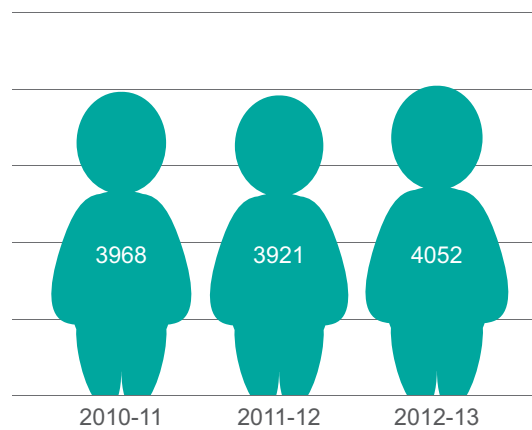
Total Gross Income 2013-14



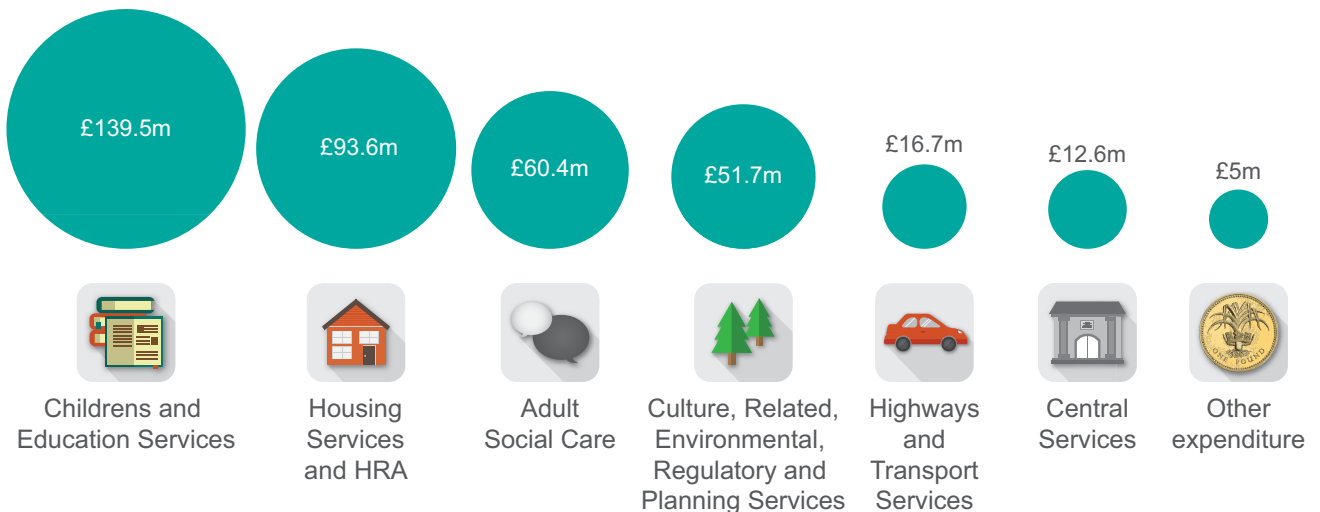
Total Income and Expenditure



Number of whole time equivalent staff 2010-11 to 2012-13



Total Gross Expenditure by service area



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