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Mr S Phillips,
Chief Executive,
Neath Port Talbot County Borough Council,
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Date 14 September 2012
Our reference 464A2012
Your reference
Tel No
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Pages 1 of 2

Dear Steve,

Improvement Assessment

I am required under the Local Government (Wales) Measure 2009 (the Measure) to report my audit and assessment work in relation to whether Neath Port Talbot County Borough Council (the Council) has discharged its duties and met the requirements of the Measure.

This letter summarises:

- my views on whether the Council has discharged its statutory duties in respect of improvement planning;
- my views on the Council's compliance with requirements to make arrangements to secure continuous improvement, based on work carried out to date by the Wales Audit Office and relevant regulators, including:
 - any relevant issues that may have emerged since my last report, including comments on any significant changes to the Council's governance arrangements and how it is addressing financial challenges; and
 - the Council's progress on areas for improvement and recommendations identified in my previous assessments; and
- updates to the Wales Audit Office work plan and timetable for delivering my Improvement Assessment work.

I shall update my views during the year and will provide a further summary by the end of November 2012.

The Council has discharged its improvement planning duties under the Measure and has established improvement objectives for 2012-13

I recently conducted an audit of the Improvement Plan and concluded that it was fully compliant with prescribed timescales for publication, and with regard to required and recommended inclusions.

The Council did not undergo a change in administration as a result of the May elections. The Labour Party increased its majority and as a consequence the Council decided to re-affirm its objectives for 2012-13. It has aligned its new election commitments with financial and service planning to establish a new set of priorities and objectives for the period 2013 to 2017.

Based on, and limited to, work carried out to date by the Wales Audit Office and relevant regulators, I believe the Council is likely to comply with the requirement to make arrangements to secure continuous improvement during this financial year

I have reached this conclusion because:

Cabinet and Scrutiny Committee structures remain the same but significant changes have been made to senior appointments and the new Council has moved quickly to allocate these roles and responsibilities.

Cabinet and Scrutiny Committee structures remain the same. The Council has nine Cabinet members who have service-specific portfolios, five Cabinet Boards, and the Council's seven Improvement Objectives closely align with the Cabinet and Cabinet Board structure such as 'Improving Education' and 'Improving Services for Older People'.

Significant changes have been made to senior appointments whereby the Cabinet consists of a mix of new and experienced councillors and they have all been appointed to new roles with two exceptions, Community and Leisure Services, and Streetcare and Highway Services. The new Council has moved quickly to allocate these roles and responsibilities which were in place shortly after the election in May 2012.

There are five scrutiny committees which follow the same structure as the Cabinet. As part of an all-Wales study on scrutiny arrangements I will be inviting members and officers to participate in a number of learning events later this year.

Both the Audit Committee and Democratic Services Committee have been set up in accordance with The Local Government (Wales) Measure 2011, and the associated statutory guidance, which stipulates a number of mandatory functions to be undertaken.

The Council continues to manage its financial challenges effectively

I concluded in my previous Corporate Assessment Letter and Annual Improvement Report that the Council is continuing to manage its finances effectively. Over the last three years the Council has saved nearly £30 million pounds and plans to save a further £18 million pounds over the next four years based on current assumptions. These savings will be achieved by a combination of several different, but complementary approaches.

The Council is also changing its approach to people management. The Workforce Strategy adopted some 18 months ago will inform the next stage in cultivating new People and Organisational Development Strategies which will be put in front of Members this autumn. It is intended this developing framework will protect and enhance the delivery of vital public services whilst protecting jobs.

In light of the continuing uncertainty about public service funding and the planned review of the Council's priorities for improvement during the autumn, the Council is currently undertaking a significant review of its Forward Financial Plan; to ensure the necessary resources are in place to support its new change programme to take the Council forward over the next five years.

A number of the proposals for improvement identified in my previous assessments have been addressed or are planned to be progressed

I made a number of proposals for improvement in my previous Corporate Assessment Update Letter and Annual Improvement Report. The Council is making good progress in implementing these. I will be reporting more fully on this matter later in the year. Appendix 1 provides further details.

Updates to the work plan and timetable

My Improvement Assessment Team will keep the Council informed of the detailed arrangements for the delivery of my assessment work during 2012-13. The work plan and timetable – which will be updated and discussed with the Council on a regular basis – provides more detail on how we intend to focus resources in this year's assessment and in particular how we will add value by focusing on jointly identified areas or services.

The work plan and timetable take account of my consultation with improvement authorities over my proposals for 2012-13 performance audit work. In particular, I shall be asking my Improvement Assessment Team to consider during the year the reliance that

we can place upon the Council's self-assessment processes, including its review of governance in producing the Annual Governance Statement and the Annual Performance Report. I shall comment on this approach in my Annual Improvement Report.

I am grateful to the Council for the way in which it has helped to facilitate our work and hope to see even more effective and efficient arrangements developing over time. I remain committed to providing appropriate levels of public assurance while supporting you in mitigating the inevitable risks to services and accountability that stem from reducing resources and consequential change.

Yours sincerely



HUW VAUGHAN THOMAS

AUDITOR GENERAL FOR WALES

CC: Carl Sargeant, Minister for Local Government and Communities

Steve Barry – Wales Audit Office – Manager

Samantha Spruce – Wales Audit Office – Performance Audit Lead

Appendix 1

Proposals for improvement	Progress
<p>1. Develop a more effective approach to public consultation and engagement:</p> <ul style="list-style-type: none"> • to ensure that local citizens play a full and ongoing role in identifying what is important to them whilst contributing to Council priorities; • to inform the public how their input influenced what the Council determined as priorities; and • using appropriate methods/systems to enable effective use and evaluation of the results of public engagement activities more widely. 	<p>The Council is systematically asking citizens about the things that are important to them through system reviews and designing service improvements based on citizen responses.</p> <p>The Council has also undertaken sustained and effective consultation and engagement work as part of its tier one change programmes, including consultation with tenants prior to transferring the housing stock to NPT Homes, consulting a wide range of stakeholders concerning the modernisation of residential care, consulting citizens concerning its regeneration proposals and consulting extensively over its Strategic Schools Improvement Programme.</p> <p>The Council is currently reviewing the use of uEngage (consultation software) to support a more consistent corporate approach to public consultation and engagement and to enable the Council to maximise the opportunity for sharing the outcomes from engagement activities or from internal collaboration.</p>
<p>2. Introduce a system of staff performance appraisal, beginning with senior managers, to increase accountability, strengthen performance management and act as a catalyst for cultural change.</p>	<p>During 2011/12 and 2012/13 the Council has been developing a new performance appraisal system. This system is currently being piloted in both a systems and non-systems thinking service to develop an approach suitable for both environments. Following the completion of the pilots, and underpinned by the outcome of the ongoing review of the Council's performance management framework, the approach will be rolled out across the Council on a phased basis. It is imperative that this new system is firmly embedded in the Council's management systems.</p>
<p>3. Review existing improvement objectives to ensure that they are:</p> <ul style="list-style-type: none"> • affordable, in line with the priorities set out in annual budgets; and • clear to citizens. 	<p>The Council is reviewing its improvement objectives at the same time as a senior management review of the Council's Forward Financial Plan to ensure affordability. The Council has also undertaken extensive work as part of Outcome Agreement monitoring to create baselines and measures that will enable the Council to demonstrate results for citizens. The Corporate Plan for 2012 onwards contains details of how progress will be measured and reported upon.</p>

Proposals for improvement	Progress
<p>4. Rationalise partnership working to ensure it is focused on outcomes and supported by robust challenge and scrutiny.</p>	<p>During 2012 the Council examined the role of the Local Service Board as an overarching partnership forum. All 16 members of the Board have been interviewed as part of a 'what matters' exercise to understand their views on the effectiveness of the Board and how it could develop in the future to become more effective.</p> <p>During 2012, work has been undertaken to develop a Single Integrated Plan (SIP). This has included the development of an outcomes-based performance management framework building on work being undertaken in the Health, Social Care and Well-being Partnership; the Children and Young People's Partnership; and the Community Safety Partnership on the Results Based Accountability performance management methodology, led by the Local Service Board supported by partnership lead officers.</p>
<p>5. Develop performance measures to support the migration to a systems thinking approach and enable benefits from this approach to be identified.</p>	<p>A Member 'task and finish' group was set up to review the Council's arrangements to secure continuous improvement focusing on how performance information is reported to Scrutiny Committees. An action plan to deliver the recommendations from this review is being implemented which clearly links with the Council's wider performance management arrangements.</p>
<p>6. Transformation Programme Identify emerging capacity issues and develop an approach to staff development and redeployment. Adopt a more comprehensive approach to sharing learning from the Transformation Programme to increase awareness of the outcomes and help to embed cultural change within the Council.</p>	<p>Progress being made across the Council's Transformation Programme is kept under continuous review by the Transformation Programme Board.</p> <p>Within reviews and across the whole programme, the impact of change on the Council's workforce is continuously assessed to ensure that the Council is able to support employees through change.</p> <p>A number of lesson-learning exercises have also been conducted and an independent evaluation of the systems thinking approach has been commissioned from an external provider. This will assist in mapping out the next set of actions necessary to embed cultural change.</p>