

# Merthyr Tydfil County Borough Council – Assessment of Progress to Address Key Concerns

Audit year: 2020-21

Date issued: March 2021

Document reference: 2333A2021-22

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## Background

- 1 This report sets out our assessment of the Council's progress in addressing the concerns identified in our letter issued to the Council in May 2019, and those identified in the September 2019 John Gilbert report<sup>1</sup>, and the December 2019 Improvement and Assurance Board's Rapid Assessment report<sup>2</sup>. In this report, we also set out remaining areas of concern and make a series of recommendations under the Public Audit Wales Act.
- 2 Our May 2019 letter to the Council set out concerns under four key areas: financial situation, service pressures, leadership and capacity, and governance.
- 3 Following that letter, the Council sought support from the Welsh Government. The subsequent package of support has included:
  - the establishment of an Improvement and Assurance Board including four external members who are experienced former local government officers;
  - social services support;
  - an Education advisor;
  - an HR advisor; and
  - governance and leadership support.
- 4 The Council submitted a Recovery, Transformation and Improvement (RTI) Plan to the Welsh Government in August 2020. This sets out a series of actions aimed at transforming and improving the Council. It underlines that 'the status quo is not an option'.
- 5 We are acutely aware that any assessment of progress must be set against the backdrop of an unprecedented year of challenges for the Council, with Storm Dennis and then the COVID-19 pandemic, which is ongoing. Nevertheless, it is vitally important that the Council focuses on addressing the ongoing concerns and implementing its RTI Plan.
- 6 We acknowledge the extremely hard work of officers and members throughout 2020. We are very grateful to officers, members and other stakeholders for the time they have given us in order to undertake our work and produce this report.

<sup>1</sup> [John Gilbert Scoping Review, September 2019](#)

<sup>2</sup> [Merthyr Tydfil Improvement and Assurance Board, Rapid Assessment for Welsh Government, December 2019](#)

## Summary

The Council has shown resilience in its response to recent challenges and has made progress in developing an improvement plan, but it urgently needs to address its lack of capacity to drive the transformation needed, and use its available resources to strengthen its resilience over the medium to long term

- 7 The Council has shown resilience in its response to recent challenges and its improved immediate financial position gives it a window of opportunity to improve its performance and transform. But this is not an indefinite window of opportunity; the Council cannot continue to rely on there being positive financial settlements in the future and needs to use its resources to strengthen its resilience over the medium to long term and to sustain improvement. It is our view that the Council will need some form of continued support as it lacks the capacity to address the medium to long-term issues at the same time as operating from day-to-day in the short term. The Council also urgently needs to address its lack of transformation capacity and expertise to enable the Council to sustain the change and improvement needed.
- 8 The Council also needs to ensure its key governance mechanisms are fully focused on the priority business of the Council and act in a complementary way to ensure robust decision making and accountability. All members need to fully understand and fulfil their respective roles in the governance of the Council. This is pivotal to transforming the Council and improving outcomes for the people of Merthyr Tydfil.
- 9 Whilst we recognise the progress the Council has made to address the concerns raised, particularly during such challenging circumstances, the Council still has some way to go to fully address them. As such, we feel it is important for the Council to maintain its focus on these ongoing challenges and we have made a series of recommendations under the Public Audit (Wales) Act 2004, which the Council is required to consider and respond to in the manner set out in **paragraph 10** below. We will continue to monitor the Council's progress over the next 12 to 18 months.

## Recommendations

10 The table below contains our recommendations for the areas we feel the Council must prioritise. We are making written recommendations in accordance with section 25(2) of the Public Audit (Wales) Act 2004. Under section 25(4) of the 2004 Act, the Council must consider the report and recommendations at a meeting held within one month of it receiving the report. Section 25(5) sets out that at that meeting, the Council must decide whether the recommendations are to be accepted and what action (if any) it will take in response to the report and recommendations. Please note that if the Council requires more time to comply with its duties under subsections (4) and (5) in relation to the report and recommendations, then the Auditor General has the discretion to extend the time period of one month mentioned in subsection (4) in relation to a report or recommendation, if the Auditor General is satisfied that it is reasonable to allow the Council the additional time.

### Exhibit 1: recommendations

| Recommendations |  |
|-----------------|--|
| R1              | The Council should address the lack of capacity and expertise to drive and sustain the transformation agenda.  |
| R2              | The Council should provide more permanency in its senior management structure at the earliest opportunity.   |
| R3              | The Council should continue with its capacity review to reflect the transformation needed and learning from the pandemic. This should be done in conjunction with considerations about the future shape and skills of the Council's workforce. |
| R4              | The Council should refine the RTI Plan and ensure it is fully costed, that it has the financial and human resources required to deliver it.  |
| R5              | The Council should strengthen its communication and engagement with staff to ensure there is ownership, and understanding, of the Council's plans and ambitions.   |

## Recommendations

R6 The Council must build on its current financial position to strengthen its financial resilience. It is imperative that it takes a much more medium to long-term approach to its planning including considering the level of savings it expects to realistically achieve through transformation, and the level of investment needed to deliver the RTI Plan.

R7 The Council should ensure that as a corporate body it remains focused on improving the education outcomes of all children and young people.

R8 The Council should continue to strengthen its performance management arrangements and culture. It needs to use arrangements effectively to monitor and challenge performance at individual, service and corporate levels, and to ensure these arrangements are robust to support the delivery of the RTI Plan.

R9 The Council should strengthen its scrutiny arrangements including how scrutiny could have a more focused and impactful role. For example, scrutiny committees could consider their role in the following areas:

- the RTI Plan; and
- holding the Cabinet to account in accordance with statutory guidance<sup>3</sup>.

R10 The Council should build upon its recent partnership working and put in place arrangements to assure itself that its partnership activities are providing value for money.

## The Council's progress to date to address key concerns

11 The Council has shown a great deal of resilience in how it has risen to the challenges of the pandemic. The Council has efficiently delivered business grants, provided continuity of free school meals, and delivered the mass testing programme, amongst a host of other emergency responses.

<sup>3</sup> [Guidance for County and County Borough Councils in Wales on Executive and Alternative Arrangements 2006, paragraph 2.18](#)

- 12 The education inspectorate, Estyn, has identified several strengths in the Council's response to the pandemic, such as responsive and purposeful leadership, and its approach to supporting vulnerable or hard-to-reach learners. The recent Care Inspectorate Wales (CIW) inspection of the Council's social services, which focused on safety and wellbeing, identified strengths and areas for improvement. CIW found that the Council responded promptly to safeguarding concerns and appropriately prioritised risks to people's safety. CIW also identified some strengths from the Council's response to the pandemic. This included the Council's effective use of communication to maintain contact with people and a culture that is supportive of staff.
- 13 There are also other positives arising from the pandemic for the Council to draw on going forward. For example, strengthened internal and external relationships, and the ability to take on big challenges and deliver at pace.
- 14 The Council has been working constructively with the Improvement and Assurance Board and the other external support provided by the Welsh Government. The Council is more aware of the challenges it is facing, and the areas of improvement needed.
- 15 In August 2020, the Council produced a **Recovery, Transformation and Improvement (RTI) Plan 2020-25**, which underlines that there needs to be 'Council-wide transformation with focussed service change' to address the challenges it is facing. Progress against the plan is monitored at the Improvement and Assurance Board. There are detailed delivery plans under the various aspects of the RTI Plan. The Council has managed to progress some aspects of the RTI Plan, such as some changes to its performance management arrangements, but progress has understandably been hindered by the challenges of the pandemic.
- 16 Communication channels are in place for opposition members to understand and challenge progress with the RTI Plan; they are represented on the Improvement and Assurance Board, the Economic Recovery Board, and the Education Partnership Panel. The new Leader has also instigated informal liaison meetings with the leaders of the other two political groups.
- 17 The Council is creating a new Cabinet portfolio for transformation and commercialisation recognising the need for focus in these areas.
- 18 The Council's short-term financial position has improved from when we wrote to the Council in May 2019. During 2020-21, the Council has added £300,000 to its general reserves so these now amount to £5 million. The Council currently has no plans to use any general reserves in the next two financial years. The Council is broadly on track with planned savings for 2020-21 and is currently projecting a surplus of £73,000 for the 2020-21 financial year. The Council has set a balanced budget for 2021-22 based on a Council Tax increase of 3.55%.
- 19 Our May 2019 letter raised concerns about the £1.3 million overspend of its social care budget in 2018-19 and the unprecedented demand around looked-after-children. In 2019-20, the looked-after-children budget had a net budget deficit of £669,000, although there was an overall social services budget surplus of

£376,000. As it stands, although the Council's looked-after-children budget is projected to overspend in 2020-21 by £863,000, the Council considers that the overall social care budget is under control and at Quarter 3 projected an overall underspend of £505,000 for social services. The Council has taken some steps to mitigate the overspend within its looked-after-children budget and it is progressing aspects of the RTI Plan aimed at safely reducing children-looked-after numbers. The Council's revenue budget for 2021-22 includes £591,000 for additional demand pressures for looked-after-children residential placement services.

- 20 Relationships between Cabinet and the senior management team have improved; our interviewees talked of there being a greater degree of trust. Officers and members have engaged positively in the workshops facilitated by external advisor, Max Caller, who feels progress has been made in bringing officers and members closer together and in them having a shared agenda.
- 21 The Council recognised that it had some urgent capacity issues and progressed a review of its capacity across the organisation in early 2020. This identified various gaps and single points of dependency. Some of those gaps have now been addressed or are in the process of being addressed. The Council's 2021-22 revenue budget includes £705,000 for resources to help fill the capacity gap. The Council has filled, or is in the process of filling, many of the gaps identified including additional posts in Environmental Health, housing, additional learning needs, engineering and social services.
- 22 The Council has made some progress in improving aspects of its performance management arrangements, which were identified as concerns in the John Gilbert and Rapid Assessment reports. It has developed a corporate dashboard and a dashboard for the RTI Plan and is rolling out a new individual performance management appraisal process. Cabinet too have had individual performance/development discussions with the former Leader. The Council recognises it needs to improve the accuracy, reliability and use of its data and has been speaking to other councils, such as Powys, to understand how it can do this.
- 23 The economic impact from the pandemic is likely to be significant in the Merthyr Tydfil area, and recovery is likely to take some time. Deprivation levels were a concern prior to the pandemic. The Council has been proactive in setting up an Economic Recovery Board (ERB) which has clear objectives and will work in conjunction with the Economic Growth Partnership (EGP) and the Business Education and Training Partnership (BETP). Both the EGP's and the BETP's membership comprises wider stakeholders in addition to Council representatives. The intention behind the ERB, EGP and BETP is positive, but it is too early to detect any tangible impact from them to date.
- 24 Whilst we have not undertaken a comprehensive review of the Council's services and its performance, we do not consider services to be at immediate risk of failure. CIW's recent inspection of social services identified strengths and areas for improvement and, aside from Education, the national indicators from 2018-19 show a mixed picture of performance. There was no national collection of performance

measures in 2019-20 (apart from the recycling figures) due to the pandemic. There are some areas of good performance, such as the speed of clearing fly-tipping incidents and the speed of determining planning applications on time. There are also areas of poorer performance, such as processing disabled facilities grants and the number of food establishments meeting hygiene standards.

- 25 Whilst weak educational outcomes, particularly in the secondary sector, are a longstanding issue for the Council, we are seeing some early positive signs that the Council is taking steps to address this. The Council has been holding schools to account, for example, through regular corporate panel sessions with schools, and the Council has issued two schools with informal warning notices. The Welsh Government has appointed an external education advisor to support the Council. The Council has set up an Education Partnership panel with representation across key stakeholders and subsequently approved the Raising Aspirations, Raising Standards (RARS) Strategy on 25 November 2020. The Council has told us that work has already begun on implementing the strategy, but due to the pandemic the formal launch of the strategy has been delayed until Autumn 2021.
- 26 There is optimism within the Council that this new strategy can lead to sustained improvement within education. The Council has told us that there have also been more constructive discussions with the education consortium about its role to improve the educational outcomes for children in Merthyr Tydfil.
- 27 Our June 2019 report on Leisure Services found that 'outsourcing the Council's leisure and cultural services has protected the services from cuts, but the services lack strategic direction, are restricted by the current contract and require more effective oversight'. The Council's view is that the current relationship with the Leisure Trust has improved over the last 18 months. We understand the Trust has worked constructively with the Council during the pandemic, for example, to use the leisure centre for the mass testing programme. Work is ongoing to review the existing leisure contract. The Council has worked through previous points of contention with the Leisure Trust, and the Council has established a Special Purpose Vehicle (SPV) to take forward the Cyfarthfa project. Libraries will remain with the Trust, and discussions have been had about improving Merthyr Tydfil Leisure Centre. The Council, Trust and SPV Board have formed a partnership steering group to take forward the timetable for the transfer of assets and implementation of the Cyfarthfa plan. We understand the financial position of the Trust has improved, albeit there has been no service provision during the pandemic. The Council needs to ensure it learns from past deficiencies regarding the Leisure contract and that there is robust and fully informed decision-making about its future leisure and cultural services.

## Significant challenges remaining

28 In this section, we set out what we see as the current challenges facing the Council and the areas where we feel the Council needs to focus its attention. These are captured under the following key themes:

- Governance
- Leadership
- Transformation
- Capacity
- Medium-term financial position and financial resilience
- Service challenges
- Performance management
- Partnership working

29 As we highlighted in the summary of this report, the more positive financial settlement gives the Council an opportunity to take decisive action to deliver the change and improvement required. We recognise that the pandemic is ongoing, but the Council also needs to progress its RTI Plan to put itself in a better position to support the recovery of the county borough.

### Governance

30 The Council needs to develop strong and constructive relationships between members, which has not always been the case. There is more to do to develop the relationship between Cabinet and the opposition. Cabinet still does not have an up-to-date work programme and there should be better engagement with scrutiny chairs to help inform scrutiny committees' work. This should ensure that key governance mechanisms are fully focused on the priority business of the Council and act in a complementary way to ensure robust decision making and accountability.

31 The Cabinet has started to work more collegiately together and with others, but all Members need to recognise and respect their respective roles to work constructively to improve outcomes for the people of Merthyr Tydfil.

32 There is a governance improvement section of the RTI Plan, and support to strengthen the Council's governance arrangements is being provided by the WLGA and Max Caller. Both the WLGA and Max Caller indicated that they are encouraged by the discussions they are having with the Council, but the pandemic has delayed a number of planned governance-related development activities.

33 The people we interviewed told us that the relationship between Cabinet and scrutiny committees was reasonable. Nonetheless, scrutiny committees are not holding Cabinet to account effectively; questions tend to be directed to officers and the quality of challenge from members needs to improve. Statutory guidance under

the Local Government Act 2000<sup>4</sup> sets out that one of the roles of overview and scrutiny committees is 'to hold the executive to account for the efficient exercise of executive functions – especially the performance of the executive as measured against the standards, objectives and targets set out in the policies and plans which it is implementing'. Our September 2018 report on scrutiny at the Council<sup>5</sup> contained a proposal for improvement about ensuring Cabinet are held to account, and this remains an area that needs to be addressed. All members need to fully play their part to ensure the effective governance of the Council.

- 34 Our [Scrutiny Fit for the Future discussion paper](#) published in February 2019, identified six key areas for councils to consider to improve the efficiency and effectiveness of their scrutiny functions. The Council is taking steps to develop its scrutiny arrangements. For example, it is currently undertaking a scrutiny self-evaluation programme, it is developing a scrutiny Strategy on a Page (SOAP) with a view to better demonstrate the impact scrutiny committees are having, and it has developed a Practical Guide to Scrutiny to help support members. It is also working with the WLGA to develop some e-learning materials.
- 35 The Council has provided training and support to scrutiny members in the past and is planning further training events in 2021-22. We will be particularly keen to see progress in this area as we have ongoing concerns about the effectiveness and impact of the Council's scrutiny arrangements. We would urge the Council to consider how its scrutiny committees can focus their activity to use limited resources more effectively and to consider different ways to deliver their role.
- 36 There is an opportunity for the Council's scrutiny arrangements to play a key role in scrutinising and monitoring the implementation of the RTI Plan, central as it is to the Council's future. The RTI Plan has started to feature in some scrutiny committees' work programmes for March 2021.

## Leadership

- 37 The past 12 months have been a massive learning curve for the Council's leadership on both an officer and political level as it has for many public sector organisations. There has been greater acceptance of the concerns we have raised, and the pandemic has shown that senior members and management can work together and take action quickly when needed. The Council's leadership needs to now shift its focus beyond annual budget survival to medium and longer-term planning to implement its RTI Plan. The Council leadership's aspiration now needs to be matched with action.

<sup>4</sup> [Guidance for County and County Borough Councils in Wales on Executive and Alternative Arrangements 2006, paragraph 2.18](#)

<sup>5</sup> [Overview and Scrutiny: Fit for the Future? – Merthyr Tydfil County Borough Council, September 2018](#)

- 38 The kind of transformation described in the RTI Plan requires significant staff engagement to bring the organisation along with it, and to ensure there is clarity about the direction the Council is going in. This is where clear and visible leadership can create the organisational energy to drive the improvements needed. To date, there have been two member workshops on the RTI Plan and opposition members are represented on a number of different forums. In February 2021, there was an update to staff about the RTI Plan, which also explained that further details about the Plan will be shared with staff in due course. There has also been communication to staff about aspects of the RTI Plan, such as information on the 'Focus on your Performance' project. We understand the Council is developing a communications and engagement plan, which will include further sessions with members, focus groups with staff and a quarterly newsletter. We will be keen to see the Council take forward this communication plan, as generating ownership, commitment and understanding of the plan amongst staff and members needs to be a priority focus for the Council. We also note that a summary of the RTI Plan is not yet in the public domain. We would urge the Council to address this given the significance of the Plan.
- 39 The political balance of the Council is now more fragile than when we issued our letter in May 2019. Following the recent suspension of the Leader, there are currently 15 members of the main Independents group, 15 Labour members and two other Independent Councillors. The Council has moved swiftly to appoint a new Leader, but the balance is such that there is a risk this could impede the Council's ability to take difficult decisions. Political fragility can mean it is harder to progress budget discussions and plans, and it is, therefore, more important for there to be strong governance and clear communication arrangements between the executive and opposition members.

## **Transformation**

- 40 The Council's previous attempts at transformation have not made much headway. The Council is very much at the early stages of its transformation journey and has tried to progress aspects of the RTI Plan but acknowledges that its implementation has been hindered by the challenges of the pandemic. We recognise that transformation is a long-term venture but, whilst the pandemic has rightly taken precedence, it is critical that the Council now puts in place the building blocks for its long-term future.
- 41 The RTI Plan is a credible starting point, but the Council needs to continue to refine the plan so that it is sufficiently and consistently focused on its overarching objectives. There is also scope for the Council to be clearer about exactly what it means by transformation in the RTI Plan. We found there was confusion amongst the people we interviewed about exactly what the vision of the Council is. Some referred to the ongoing work being done by consultants to develop an economic vision for the area, whilst others pointed to the RTI Plan. Whilst we do not want to encourage the Council to develop a vision merely to 'tick a box', we do feel it needs

to ensure there is agreed clarity about the direction it is going as an organisation. We understand the workshops between senior members and management, facilitated by Max Caller, are helping to do this. Currently, there is a huge amount in the plan; many of the actions are about developing or establishing more systems, boards, and process.

- 42 Given that capacity is a major issue at the Council, it may also need to review its ability to do everything in the plan. In addition, the RTI Plan is not yet fully costed and needs to be considered in its medium-term financial plan and budgeting process.
- 43 The Council is aware it needs to strengthen its HR arrangements to help it deliver its RTI Plan. The Welsh Government has recently appointed an external advisor who will look at what is required from the HR function in order for it to effectively support transformation.
- 44 The RTI Plan was presented to members in September 2020. However, during our fieldwork we did not get a clear sense that there is collective member ownership of the Plan. We view this as vital in taking the Council forward. As with all councils, there will be political differences, but the principles of the plan, in putting the Council on a sustainable footing, are hard to disagree with given the concerns raised over the past few years and some of the longstanding issues the Council has faced.
- 45 The Council's senior management team has undoubtedly shown real resilience in how it has worked together and with others to respond to the pandemic and the will is there to build on this to progress the RTI Plan. However, we do not believe that the Council currently has the capacity and transformation expertise and experience to drive through the required transformation, even without taking into account the demands being placed on them by the pandemic. John Gilbert's report emphasised the lack of leadership capacity and expertise in transformational change. The Council has created a new Cabinet portfolio for transformation and commercialisation. In our view, the Council would also benefit from more transformation expertise, fresh perspectives and experience to drive this forward and ensure that the ethos of change and transformation permeates through the Council.

## Capacity

- 46 The Council needs to complete and update its capacity review that it started in early 2020. The pandemic underlined the capacity constraints in the organisation as staff were redeployed and some arrangements and activities to progress the RTI Plan were put on hold; an all-hands-on deck approach has been needed to respond to the pandemic. Capacity clearly remains a significant issue.
- 47 Despite the positives in respect of the social services budget set out in **paragraph 19** above, the service remains fragile and capacity is still a concern. There has been support provided by the Welsh Government that has been very well received, but that support is not indefinite. There are plans to recruit another principal officer

in adult services shortly and the Council has extended the Adult Transformation Business Change post until September 2021.

- 48 In the Education department, the part-time Additional Learning Needs (ALN) lead role has been filled, but despite two attempts to recruit to the senior ALN post, this remains vacant. The 2021-22 revenue budget also includes resource for additional capacity in the Education data team.
- 49 Although there have been some changes to the remit of some senior management positions, the Council has not completed a review of senior management roles and responsibilities as recommended in the Rapid Assessment Report due to the pandemic.
- 50 The Acting Chief Executive and Acting Deputy Chief Executive posts have been extended until September 2021. The Acting Deputy Chief Executive's former Chief Officer role is being shared between two heads of service. Therefore, there remains a vacancy at senior management level. To improve both capacity and stability, the Council needs to put in place more permanent senior management arrangements, including considering how it can obtain capacity and expertise to drive the transformation needed. We understand that the Council hopes to appoint a permanent Chief Executive in September 2021.
- 51 Like many organisations, the pandemic has enabled the Council to explore more agile ways of working. The Acting Chief Executive recognises that the Council needs to identify the future skills and shape of its workforce and has been seeking advice from the Welsh Government HR advisor about this.

## **Medium-term financial position and financial resilience**

- 52 In March 2020 we published a report on the Council's financial sustainability<sup>6</sup>. Our overarching conclusion was: 'Despite a higher than expected settlement, the Council's financial position is still challenging, and failure to deliver to budget or make planned savings risks depleting reserves to a low level.'
- 53 Although the Council's short-term financial situation has improved from when we wrote to the Council in May 2019, we are not yet assured that the Council is effectively planning for the potential medium to long-term financial challenge. It received a 4.8% increase in its revenue support grant for the 2020-21 financial year and its provisional settlement for 2021-22 represents a 4.6% increase, the third highest in Wales. Such positive settlements cannot be relied on in future years. To date, the Council's focus has been on annual budgets rather than planned long-term efficiencies or transformational savings. Previously, the Council has used significant accounting mechanisms to meet budget shortfalls, such as changing the Minimum Revenue Provision (MRP) policy and redistribution of reserves, which are unlikely to be available throughout the period of the MTFP.

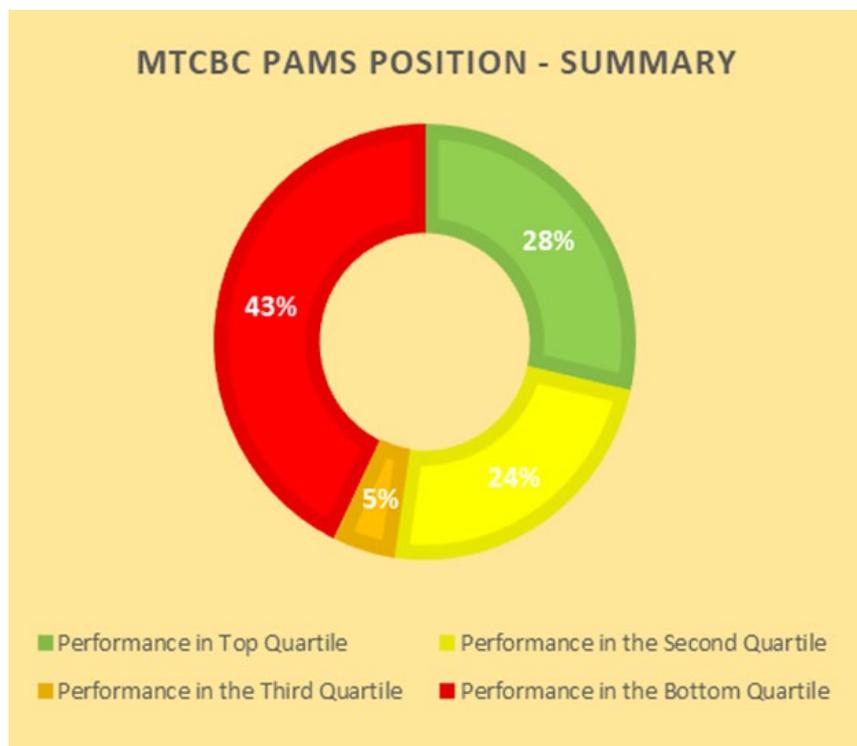
<sup>6</sup> [Audit Wales, Merthyr Tydfil County Borough Council – Financial Sustainability Assessment, October 2020](#)

- 54 There is now a short window of opportunity for the Council to plan for the medium to long term and consider how it can best use its resources to become more financially resilient and deliver its RTI Plan. The Council also needs to consider what savings may be realistically achieved through its transformation plan, as well as identifying any investment required to deliver on it.
- 55 The Council has approved a Council Tax increase of 3.55% rather than the 4.99% originally planned for within its MTFP. This 1.44% reduction equates to £343,000 which the Council has financed from the provisional budget surplus of £288,000 and a reduction in the Pay Award Provision of £55,000.
- 56 Last year, the Council reduced the Council Tax increase to 4.99% from the 5.99% that had originally been assumed over the term of the March 2019 MTFP. Setting Council Tax is a political decision, but it is imperative that members are fully aware of the implications of the potential options for the medium and longer term.
- 57 We are undertaking another financial sustainability review at each of the 22 councils in the spring of 2021. Through this, we will take a more detailed look at the Council's financial position and medium-term financial planning. We anticipate publishing a report in April 2021.

## Service challenges

- 58 As set out in **paragraph 24** above, the Council's performance against national indicators is mixed. Although there are some significant areas of poor performance, it is not a poorly performing Council across the board. Nevertheless, the Council recognises that it needs to ensure it improves the outcomes for its residents – improving performance is part of its case for change in its RTI Plan. The Council's 2019-20 annual performance report states that the Council's 2019-20 performance (based on available indicators) had improved in 46% of indicators and fallen in 54% of measures since the previous year.
- 59 The diagram below used in the Council's RTI Plan illustrates the numbers of public accountability measures in each quartile based on its 2018-19 performance.

**Exhibit 2 – the Council’s assessment of its 2018-19 comparative position in respect of Wales’ Public Accountability Measures**



Source: Council's RTI Plan

60 The Council’s assessment of its performance against available national indicators over the past five years shows that the percentage of measures in the bottom quartile has increased since 2015-16. The Council has not been able to do this comparative analysis for 2019-20, because, with the exception of the recycling indicators, there was no national collection of performance measures in 2019-20.

61 Improving educational performance and strengthening the resilience of its social services are the two main service challenges; but the Council has identified other service areas, such as homelessness and leisure that require significant improvement. Together, these present some major service pressures for the Council to contend with, now and over the next few years.

62 The Council knows it needs to quickly ensure sustainable improvements to educational outcomes, and this is a key priority within the RTI Plan. It was in education special measures between 2012 and 2016 and did not sustain the improvement made.

63 Whilst there is optimism within the Council that it can deliver sustained improvement within education, and there is now greater corporate responsibility to do this, significant work remains to achieve the improvement needed and there is no evidence yet of tangible improvement. Currently, due to the pandemic, there

has been no performance data this year. The Council should consider how it can continually evaluate improvement and the impact of the changes it is making, in order to revisit changes as it goes along. We understand that the Council is starting to work with schools to develop a progress framework to do this.

- 64 The Council needs to build on the constructive discussions it has had with the education consortium (Central South) to ensure that it has arrangements in place to make sure it is getting value for money from the consortium.
- 65 Socio-economic factors within the area make it even more important for children in Merthyr Tydfil to have access to sustained high-quality education that enables them to succeed and achieve their ambitions.

## **Performance management**

- 66 Both the John Gilbert report and Rapid Assessment report raised concerns about performance management. Our review looked at three elements of performance management: individual staff performance management arrangements; Directorate/service performance management arrangements and strategic performance management.
- 67 In August 2020, the Council began to roll out a new individual performance management framework. Prior to that, the Council lacked robust staff performance management arrangements and the majority of staff did not complete appraisals. If applied effectively, the new framework should help to develop a stronger performance management culture amongst staff. The Council needs to ensure that the framework is used as an ongoing tool to help plan, monitor and review staff performance, rather than just as a one-off event. Training has been offered to managers and the Council needs to monitor the quality, effectiveness and application of the new framework.
- 68 John Gilbert's report recommended the development of a corporate dashboard to improve the strategic performance management of the organisation. A corporate dashboard has been developed with the intention of using live data, but further work is needed to cleanse the data so there is greater confidence in the information being used to support the dashboards. Currently, the dashboard is only being used in a limited way at CMT meetings, and not by Cabinet.
- 69 With regard to its service performance management arrangements, the Council is intending to update its Strategies on a Page (SOAPs) to form part of the Corporate Dashboard and quarterly business reviews which the Council is going to re-establish.
- 70 Overall, the Council is taking steps to improve its performance management arrangements, but many of the changes have been delayed due to the pandemic, and we are not yet seeing the results of these improved arrangements. Further work is needed to implement and use the arrangements effectively, to inform decision-making, and introduce a much stronger performance management culture. Performance management is as much about behaviour, clarity, and open

conversations as it is systems. The tone from the top and the support provided to staff and managers to help get the most out of the arrangements are important. Given all the different actions and aspirations in the RTI Plan, it is vital that the Council's performance management arrangements are used effectively to monitor and deliver the plan and achieve the desired level of improvement.

## **Partnership working**

- 71 There are some initial signs of improvement in the Council's partnership working, driven in large part by the pressures of the pandemic. The Rapid Assessment report stated that 'partnership working seems opportunistic rather than part of a strategic direction of travel'. That statement remains pertinent, but there is an opportunity for the Council to emerge from the pandemic with a stronger relationship with its partners. The Council needs to consider how any gains made in the Council's relationship with partners (for example, the third sector) during the pandemic can be sustained. The Council also needs to ensure that its arrangements allow it to get the most out of its partnership working and to assure itself that these arrangements are providing value for money. It needs to learn from its experiences with the education consortium and the leisure trust for instance. We intend to do further work around partnerships as part of our 2021-22 work programme, potentially focusing on the Cwm Taf Morgannwg Health Board footprint and the transition to new arrangements following Bridgend Council joining in 2019.



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We welcome correspondence and telephone calls in Welsh and English.  
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