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Mr Gareth Chapman
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Pages	1 of 6

Dear Gareth

Improvement Assessment Letter

This letter summarises the key conclusions arising from my work in respect of improvement reporting under the Local Government (Wales) Measure 2009 (the Measure). I am required to report my audit and assessment work in relation to whether Merthyr Tydfil County Borough Council (the Council) has discharged its duties and met the requirements of the Measure.

Further to my Improvement Assessment letter of 26 September 2012, this letter summarises:

- my views on whether the Council has discharged its statutory duties in respect of improvement reporting;
- my views, and the views of relevant regulators, on the reliability of the Council's self-evaluation; and
- my further proposals for improvement.

Further to this, I will undertake more detailed work on the arrangements that support the Council's performance management and reporting over the following months.

I shall summarise all of my work and that of relevant regulators during 2012-13 and publish an Annual Improvement Report for the Council by the end of March 2013.

The Council has discharged its improvement reporting duties under the Measure. However, it should ensure that it acts more in accordance with Welsh Government guidance.

By publishing its 2011-12 Performance Report by the deadline of 31 October 2012, the Council has complied with the statutory requirements outlined within the Welsh Government's guidance for the Local Government Measure 2009, under Section 15 (7).

The report sets out the Council's performance against all statutory indicators and includes current and prior year performance figures. Performance against targets and comparison with the Welsh average is also included. The Council has published a summary of its Performance Report. Both the full version and summary are available on the Council's website, and hard copies are available at its main public buildings in Welsh and English.

The Council has used progress against key actions and quantitative measures of performance as the main evidence to determine its performance. There is scope to include more qualitative information to provide a more rounded evidence base to enable it to assess its performance. Furthermore, the Performance Report lacks overall evaluative statements of the Council's success in achieving its improvement priorities. It is left up to the reader to form their own opinion as to whether the improvement priority has been achieved.

There is a range of information in the report to enable the reader to form their own opinion but the Council has missed opportunities to include the outcomes of some useful evaluations and self-assessments. For example, to inform the Director of Social Services' 2011-12 report, the Council engaged consultants to facilitate robust internal challenge of its self-assessment of social services performance. Subsequently, CSSIW reported in its Annual Review and Evaluation of Performance 2011-12 that: 'the Director's report gives a comprehensive account of the council's performance and reflects the evidence provided to CSSIW' and 'the evidence provided by the council to support its evaluation has been clear and comprehensive. The council has submitted detailed evidence grids which have identified areas for further improvement, with clear timescales.' However, the Council has not reflected this account and evaluation of social services performance in its Performance Report.

The Performance Report includes examples of collaborative activity, such as its partnership with Rhondda Cynon Taf County Borough Council and Newport City Council to procure an anaerobic digestion facility, and its partnership with the University of Glamorgan to develop Merthyr Tydfil College, but it does not consistently articulate the aims of the collaboration or whether they achieved their intended outcomes.

The 2011-12 Performance Report does not provide citizens with a reliable assessment or meaningful evaluation of the Council's performance in delivering its corporate improvement priorities

The Measure has now been in place for three years. This is the second year the Council has been required to publish a backward-looking Performance Report in line with the requirements of the Measure. In my Annual Improvement Report in January 2012, I emphasised that the Measure requires councils to be more self-critical and evaluative around how they deliver their services and that councils need to focus much more clearly on the impact of services upon citizens and the outcomes for citizens.

I recognise that the Council is reporting progress with its former corporate priorities for improvement and is turning its focus towards developing its future four-year plan and refining its arrangements to support this. Nevertheless, its 2011-12 Performance Report does not provide citizens with a reliable assessment or meaningful evaluation of the Council's performance in delivering its corporate improvement priorities.

The Council's Performance Report and Public Summary do not provide a fair and balanced assessment of performance. Important points, particularly in areas of poorer performance, do not always come through clearly under each improvement objective.

The Performance Report provides a great deal of information about what the Council has done and is doing to deliver its 2011-12 corporate priorities for improvement. It identifies the percentage of tasks completed and targets met over the past two years. It also highlights its performance against national indicators including the number where it has improved, maintained or declined its performance. This latter information is also included in the Public Summary. The introduction by the Leader and Chief Executive also outlines a number of the Council's achievements as well as identifying areas where targets were not met.

However, the main narrative is not always balanced and lacks analysis of the information provided. Under the waste and recycling priority, for example, the Council has been quite candid about the delays in procuring a sustainable long-term waste treatment solution and does clearly highlight that despite improvements in increasing the amount of waste being recycled and reducing the amount of waste taken to landfill, its performance is still below the Welsh average. Conversely, it does not explain here that its performance means that it is ranked 19th and 22nd out of Welsh local authorities respectively. This information is included in an appendix to the report. More significantly, the report does not identify that the Council is unlikely to meet the Welsh Government recycling and waste targets, and fails to underline the potential significant financial implications of not doing so.

Similarly, the narrative on the Economic Regeneration priority outlines the different initiatives underway but fails to mention that key targets around job and enterprise creation have not been met. Indeed, performance on the former has declined since last year yet this does not come through clearly to the reader.

The report states that all tasks relating to education were completed and 12 out of 15 targets were met, but it does not mention that the Council continues to be ranked 21st out of 22 Welsh councils in relation to some of the key educational attainment indicators. The report accurately highlights that school attendance at both primary and secondary levels is improving but this is not placed in the context that the Council still has the worst primary school attendance in Wales.

Overall, the Performance Report predominantly focuses on the achievements under each of the corporate improvement priorities. It does not consistently include information where performance has declined, or where further action is needed. The report is selective in providing comparative information which hinders the ability of the reader to get a more informed picture of performance.

The Council has started to adopt a more outcome-based approach to its reporting but the Performance Report and Public Summary do not clearly evaluate the Council's progress in delivering its corporate improvement priorities

It is positive that within the introduction to its Public Summary, the Council has tried to translate some of the achievements against targets into outcomes for service users and thus to make the summary more readable and easier to understand.

At over 150 pages, the Performance Report is very long and includes a lot of information about its activities but it lacks a robust analysis and evaluation of this information. Although there are diagrams to break up the text, the report is not an easy document to read, making it more difficult for the reader to readily understand how well the Council is performing.

Pie charts are used in the Performance Report to illustrate overall performance and performance under each priority for improvement. They show the percentage of tasks completed and the percentage of targets achieved. However, the Council has not come to a judgment as to the extent to which it has achieved the improvement priority or not.

Under each of the improvement priorities there is a heading '*What has the Council achieved in 2011/12?*' For the majority of priorities, the report just outlines the context around the priority and some actions that the Council is taking to help achieve the priority. For example, to answer this question in the 'good quality social care' priority the report summarises the main aim of the priority and highlights that outcome-focused care plans have been implemented and that the Domiciliary Care Service also intends to move towards a more outcome-based approach to care planning. It has not evaluated the information presented to determine its overall progress in achieving this priority or the impact its progress has had on the service user. It has been left up to the reader to form their own opinion on this.

Again, for each improvement priority, the Council has sought to answer the questions '*how much did we do, how well did we do it and what was the impact on the community?*' but only in relation to a narrow aspect of the priority. For example, under the 'community safety' priority, the information used to answer these questions just relates to the installation of crime prevention equipment and the number of events held. The reader does not gain a comprehensive picture of performance from this information and the rationale for choosing that specific aspect is unclear.

Further proposals for improvement

I have previously identified my concerns that the Council has not aligned the tasks and success measures that are intended to support achievement of its corporate priorities for improvement in my Annual Improvement Report published in January 2012. It is clear that this identified weakness has contributed to the Council being unable to provide citizens with a reliable assessment and evaluation of its performance in delivering its priorities over the 2011-12 period.

The Council recognises that further work is needed to develop more outcome measures and enhance its self-evaluation processes, and I have noted benefits arising from greater engagement of services, senior management and members in the identification of new priority outcomes for 2012-13. However, the Council faces a significant and urgent challenge to identify its priority outcomes for the period 2013-2016 and lead development of a new Single Integrated Plan with its partners, in the context of the changed political priorities emerging from the new administration. In developing its plans, more work is needed by the Council to:

- identify priorities over the medium-term and evaluate their financial, workforce and asset implications so that they can be costed and resourced; and
- develop measures of performance that clearly define what success will look like, and refine arrangements to monitor and drive improvement.

I set out my proposals for improvement in these respects in my previous Improvement Assessment Letter to the Council dated 26 September 2012. Some new proposals for improvement are being made in this letter. I will continue to monitor and report on the progress made by the Council in implementing the proposals set out in my previous reports and letters.

Proposals for improvement

- P1 The Council's Performance Report and Public Summary should provide a more fair and balanced assessment of its performance.
- P2 The Council needs to better evaluate its progress in meeting its priorities for improvement. It should look beyond simply reporting progress against actions and measures, to analyse a wider basket of evidence to be able to determine the outcomes for service users and provide a more rounded picture of performance.
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Yours sincerely



HUW VAUGHAN THOMAS

AUDITOR GENERAL FOR WALES

CC: Carl Sargeant, Minister for Local Government and Communities