

**MERTHYR TYDFIL IMPROVEMENT AND  
ASSURANCE BOARD**

**RAPID ASSESSMENT FOR  
WELSH GOVERNMENT**

**COMMISSIONED BY JULIE JAMES AM, MINISTER  
FOR HOUSING AND LOCAL GOVERNMENT**

**Produced by the Board Core Team  
December 2019**

**1. INTRODUCTION.**

The terms of reference of the Merthyr Tydfil Improvement and Assurance Board were set out by Welsh Government on October 24<sup>th</sup>, 2019. It followed a direct request from the council to Welsh Government for improvement support.

The board is tasked by Julie James AM, the Minister for Housing and Local Government with the following remit –

- To monitor the Council’s progress in delivering against the Improvement Plan
- To provide advice and constructive challenge to the Council’s corporate transformation and improvement activity including the follow up to the recommendations in John Gilbert’s scoping review
- To oversee and ensure co-ordination of all external support for corporate and service specific change in the Council
- To advise Welsh Ministers and Welsh Government officials regularly on progress and make, if necessary, recommendations for further support or modification to the existing support package.

As the team guiding the Board, we have been asked by Welsh Government to produce a rapid assessment of skills and capabilities required to move forward. We are also to gauge “the commitment by all members to creating a sustainable future for the council”. In order to assist we will recommend short term and targeted governance measures including what support is required and how it can best be delivered to maximum impact. **These are set out in the report as Actions and grouped for convenience in Appendix 1.** Particular priority is given to education and social services as the two largest services in the council. Also to the overarching corporate governance and financial backdrop.

## 2. OVERVIEW.

It is not the team’s purpose to rewrite the report produced by John Gilbert the former CEO of Swindon. His detailed findings were set out to Welsh Government in his report entitled *Key Challenges, Leadership Capacity and Capability, Governance and Strategy*. These have been accepted by the authority. This is the foundation for our work in terms of assurance. John Gilbert’s report centred on finance, governance and social care. With a larger team we have widened the focus to other areas including education and a wider range of other services. Our purpose has been to derive an analysis of the fullest possible picture of all the major services and the effectiveness of their corporate support. This has meant time spent in detailed sessions with members and officers across the authority checking first-hand experience. Our work in this respect is ongoing. We are very grateful for the way both members and officers in the council have assisted us and for their openness.

We used as our guide in this assessment the recommendations which John Gilbert set out. Particularly so when seeking opportunities for a transformative approach to move the council away from being locked into “survival mode”. While the council has commenced work on transformation through its thematic workstreams, this is in its early stages. As yet there is no whole council strategy to support this, although it is being developed. The council accepts that there have been limited moves towards digitalisation of services and a partial approach to joint working partnerships/shared services. In other areas, despite the presence of the MTFP, the budget is short term in focus and needs an explicit guiding timetable. Part of the budget has been characterised by the ability to pull accountancy “rabbits” out of the hat, an approach which is not sustainable. Further opportunities around rationalisation of estate management need to be embraced and an agile working strategy implemented. Equally the management structure of the council is confusing. Functions have incrementally moved into different areas as the management has downsized. The result is that reporting relationships are often unclear and service groupings confusing.

***Action 1 - A short review should be undertaken of senior management roles and responsibilities to sharpen the council’s management and organisational structure and clearly define work spans and portfolios.***

All the above points are put forward as non-controversial since they have been consistently raised in our discussions. To stress, none of these points is put forward as criticism. From the Interim Chief Executive, to his deputy and other senior officers we have been impressed with the ongoing commitment to the people of Merthyr Tydfil and the council. All the elected members we have spoken to including the Council leader Councillor Kevin O’Neill, his cabinet and opposition leaders are passionate about improving the county borough and continuing the impressive journey of economic transformation. Over the past two decades Merthyr Tydfil has been the major sub regional centre in the South Wales Valleys and has a potential list of further projects including the Crucible Heritage Project, the new bus station and other projects in the pipeline. They also are dedicated to ensuring that the public realm around Merthyr Tydfil is clean, green and safe,

These ambitions however have been set in a deteriorating financial context where the council’s reality has been retrenchment and downsizing. A recent report presented on Environmental health services highlighted gained media attention. It highlighted that the impact of staff losses meant that the council could not demonstrate it was delivering all statutory environmental health services. Similar issues exist across other council service areas. This leads to our overriding concern. **Fundamentally the absence of a transformation**

**agenda stems from a debilitating lack of capacity and resilience throughout the organisation.** In terms of job losses we are working with officers to get a precise indication of the reductions in the council’s establishment over the past five years. This will form part of the capacity review findings. However as an example Table 1 below shows the impact of changes in a sensitive area like adult social care. This is often deemed to be a “protected” service, but the reductions highlighted throw this into sharp relief. For social care it also comes at a time when they are being asked to take part in a burgeoning regional agenda when the service is struggling the pressures of the “day job”. We suspect that this is genuine problem for a range of smaller authorities across Wales.

**Table 1 – Adult Social Care at Merthyr Tydfil**

Where we were 2012	Where we are now 2019
<ul style="list-style-type: none"> <li>• Assistant Director Adults</li> <li>• 2 Heads of Service (1 Care Management, 1 Provision)</li> <li>• 6 Service Managers</li> <li>• Central Support in SSD for strategic developments</li> <li>• Executive Support</li> <li>• Development officers for OP,MH,LD Substance Misuse</li> <li>• Supporting People</li> <li>• 7 teams (with managers and senior social worker in each team)</li> </ul>	<ul style="list-style-type: none"> <li>• 1 head of service</li> <li>• 1 principal manager</li> <li>• 3 teams (one mental health, one OPLD and one front line service with three managers, two senior social workers and one newly grant funded senior)</li> </ul>

In this context the organisational culture is one that shows willingness to change but is stymied by the lack of a hinterland to take this forward whilst simultaneously doing the “day job”. For example we spoke to the Cabinet about their plans for digital delivery and channel shift. There is clearly a will to embrace such an approach but recognition that in terms of deliverability a resource base is lacking. The day after our discussion the Minister for Housing and Local Government announced funding of £500,000 per annum towards the cost of a Chief Digital Officer for Local Government (CDOLG) and a supporting Delivery Unit. **We would argue that Merthyr Tydfil is an ideal pilot site for this resource.**

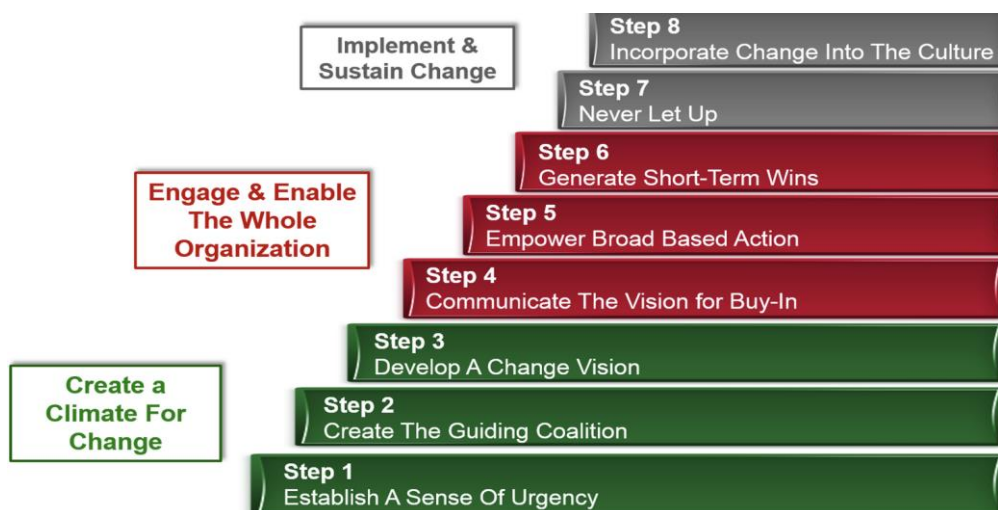
The officer response has been praiseworthy. It is essentially an approach where everyone pitches into a “firefighting” management approach. By its very nature the emphasis is reactive and incremental. It is not surprising in this context that the council currently lacks a clear vision for Merthyr Tydfil which was highlighted in the John Gilbert report. The impact on the council’s operating

model is problematic. The organisation functions by keeping its nostril above the waterline. Because of this, even where strategies for change are in place, progress is inhibited and the council is often only able to act with a short-term view, in a hand to mouth existence where significant internal/external change can seriously challenge viability. As a result we have spoken to the Interim Chief Executive who has agreed to undertake a capacity review to identify the areas where gaps in service are high risk. We understand that the Wales Audit Office is providing challenge to the process. It is vital that the Trade Unions are fully involved, and the board team were very grateful for the detailed discussion that we had with them on these issues. We also fully intend to continue this dialogue.

***Action 2 - The capacity review should help inform reflections on the most appropriate management structure for the council set out in Action 1. It is suggested the capacity review should form part of the support package with the provision of an independent external adviser.***

We also agree with John Gilbert that a clearly communicated and resourced approach to transformation needs to occur if the council is to sustain itself into the future (see below). Many councils have utilised the model set out in Table 2. This was developed by Professor John Kotter and we would wish to see the findings of the current workstreams translated into such an overarching approach.

**Table 2.**



We are pleased that the first Board Meeting held on 28<sup>th</sup> November saw a full response from the council which accepted that there was an urgent need to accelerate the transformation agenda. This was encouraging. There were also clear signals that in responding to the recommendations of the John Gilbert

report there was potential support for this across the political leadership of the council and its groups. There needs to be a coalition based on trust that takes the council's change programme forward and owns the change process. The team has had helpful discussions with Welsh Government on the provision of external support to assist the Council. In particular developing a fit for purpose and meaningful transformation and improvement agenda, as well as effective performance management and scrutiny systems.

***Action 3 – We propose to work with Welsh Government to assist the council by sourcing external support to develop a transformation / improvement plan, which would be informed by but not limited to the key findings and recommendations from John Gilbert's scoping review.***

But transformation projects can only go so far. The fragility of the current situation is real and demonstrated by the impact of the recent children services overspend caused by a spike in looked after children numbers, some from out of county. The council has invested huge effort into tackling this. The result is that with budget reprofiling the projected overspend has been reduced from £779,000 in July 2019 to a net deficit budget outturn of £85,000 projected for 2019/20 based on the financial position as at 30th September 2019. While this is commendable the team has significant concerns about the ability of the council to deal with practical ongoing issues. For example, the council's monitoring officer is also its sole qualified childcare lawyer providing advice, running cases and advocacy on behalf of social services. She also is responsible for HR, Legal and a range of other services.

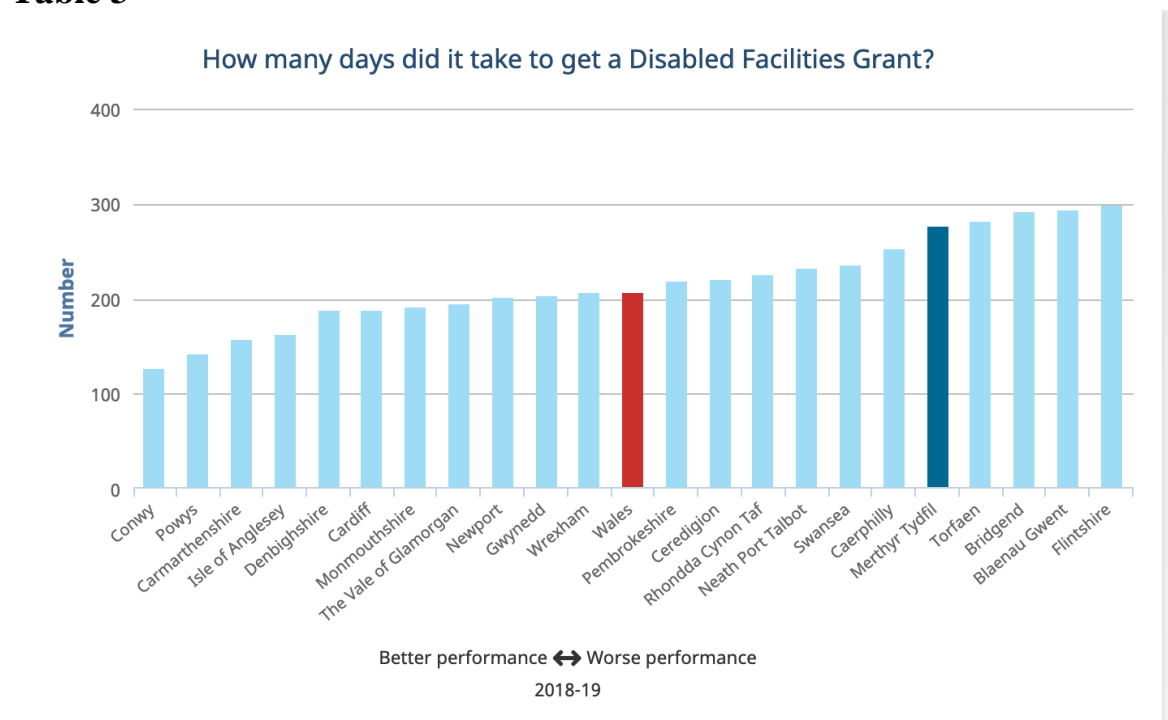
This "all hands to the pumps" approach can only be sustained short term and inevitably means that the council is precariously reliant on goodwill. If problems emerge in services, whether through sickness absence or personal issues, filling the gaps becomes intensely difficult and a major corporate risk. **We have asked officers through the capacity review to identify in particular those posts that are single dependency in nature.** For example, the Chief Education Officer is completely reliant on the Central South Education Consortia for Improvement Resources. There is no internal improvement support officer resource. Elsewhere in Wales, a number of councils have retained their own strategic capacity in order to provide more bespoke support from the LEA.

At a wider level in functions like engineering, fleet management and surveying similar problems exists with functions reliant on goodwill. While it is difficult to quantify there is a view that this also leads to issues around the pace of project management and delivery. For example the council has a single Chartered Engineer.

In addition, our team is concerned that the current approach downplays the role of performance monitoring. For example, the council has struggled to recruit occupational therapists. Part of this stems from its recruitment policy which has stressed a first call on vacancies from internal candidates. However when it comes to specialist posts this means delay and an impact on performance.

At the cabinet on 20<sup>th</sup> November it was reported that an underspend of £350,000 occurred on disabled facilities grants. As it stands the council’s performance is already in the lower quartile of Welsh councils (see Table 2). This underspend amounts to 41% of the current budget of £850,000 and impacts on vulnerable families and wider public services. This position also follows an underspend of £125,000 on DFGs in 2018/19. Furthermore it is not just the efficiency of the spend but the effectiveness that is critical. We understand that the principles of the recruitment policy have now been revised by the Corporate Management team.

**Table 3**



Source: Data Cymru



It is accepted that this indicator can be reductive but in terms of political sensitivity it is one that Welsh Government has regularly highlighted concern with local authority performance across Wales. We understand that the service is seeking to merge with RCT to create greater capacity and this needs to be urgently progressed.

A further example of performance monitoring not leading to improvement is in the case of council tax collection where Merthyr Tydfil has consistently been 21<sup>st</sup> out of 22 for many years with no apparent strategy to change.

***Action 4- There is a clear case for greater exploration of shared services and collaborative ventures in other areas particularly support functions of the council. The team proposes that this be explored in depth and that immediate discussions should commence with neighbouring authorities.***

These examples are highlighted solely for demonstrating how difficult current capacity challenges are. It also reinforces John Gilbert's point that there needs to be "the development of a council "dashboard" where strategic discussions, challenges and decisions can be well supported".

### **3. CORPORATE GOVERNANCE.**

There is a widespread consensus that the building blocks for a fully functioning and competent council is based on the following factors –

- focussed leadership;
- a professional culture;
- a clear strategy;
- effective communications;
- engagement with partners, citizens, users and staff;
- people management;
- performance management;
- effective systems, for example procurement;
- a culture of continuous improvement

In Merthyr Tydfil there are some elements of these themes in place but since the inception of the new administration in 2017 problems have arisen. This is particularly in terms of leadership. The departure of the council's long serving Chief Executive was recently agreed in July 2019. Nonetheless it is clear that there was a breakdown in a range of senior member officer relationships up to his departure. The Cabinet accepts this and points to better relationships over the recent months. But the cultural impact of this has left a difficult legacy. The



new administration essentially got off to a false start in terms of organisational interface. What should have been a phase of relationship building and mutual learning became one which was often characterised by dysfunction and mistrust. The Cabinet has argued that because of this they regularly sought advice from outside the council to inform decision making and have had to become self-reliant. Whilst a logical response, this was an unhealthy situation that led to a climate of suspicion between key members and officers. It is because of this that our team feels that urgent further work is needed on member officer relationships, plus proper understanding of the role of elected members and scrutiny. We feel that this will assist the council move forward. It is vital in a small organisation that members and officers are on “the same page”.

We have spoken to key officers and members on these matters and ascertained that to date there has been the following -

- Induction Programme – extensive programme and decent initial engagement,

*Issue - members however haven't engaged with follow-up offers*

- Scrutiny Development – WLGA provided two introductory sessions after the last elections (June 2017)

*Issue – John Gilbert has identified an urgent need to improve scrutiny – WAO, CIW and Estyn view is that scrutiny is underperforming*

- Cabinet Development – there have been some sessions, led by Jonathan Huish an outside consultant. Some of these have included officers.

*Issue – the team is uncertain of the areas covered and the regularity of programming sessions. We are also aware of limited progress following John Gilbert's recommendation for a Strategic improvement board. Discussions have occurred but solely on the budget.*

- Leadership Academy – by the end of March, nearly all the cabinet will have been through the Leadership Academy.

*Ongoing*

### ***Action 5 - Leader, Cabinet and Member Development***

***What is needed?***

- *The Leader has agreed to further mentoring support which is provided by Councillor Hugh Evans OBE the longstanding Leader of Denbighshire. A mentoring session has occurred.*
- *Leadership and commitment from Group Leaders to ensure members engage as part of the improvement programme. All need to complete PDRs.*
- *Political Leadership and Relations (between administration-opposition and administration-officers) – We have spoken to the WLGA who are proposing Max Caller CBE a very experienced Chief Executive who has worked for Welsh government and mentors’ leaders and chief executives across England.*
- *Cabinet Development, visioning and planning – possibly provided by Cllr Neil Prior a senior Independent councillor from Pembrokeshire. The LGA have recommended him as he has undertaken similar work in England and is vice chair of the LGA Improvement Board.*
- *Chairing Skills – for all chairs (WLGA could provide or commission). This includes scrutiny and regulatory committees like Planning.*
- *Scrutiny – skills development to enable robust and organised scrutiny arrangements.*

John Gilbert, in his review, identified weaknesses in the scrutiny process. This involved a lack of effective overview of the performance of the council as a whole, and in individual areas.

There needs to be a strengthening of the general overview and scrutiny of the council, with a focus on key indicators of performance. John Gilbert’s report recommended the development of a ‘corporate dashboard’ of the key indicators of performance. This is being developed and will be available shortly. There will need to be an effective means of general overview and scrutiny of this ‘corporate dashboard’ and the council’s performance against these key indicators.

The ability of scrutiny committees to develop their own work programme has been undermined by the lack of a Cabinet forward work plan, though this is now being developed and is near completion. This would enable scrutiny committees to plan their work in such a way that it more effectively contributes to supporting proactive policy development in those areas where key decisions are about to be made. The council should consider presenting an Annual Report by the Leader / Cabinet to the Annual Meeting of Council which would give an honest appraisal and assessment of the previous year’s performance, together with an outline of the key challenges and areas of policy development facing the authority for the coming year. This would underpin the Cabinet forward work

plan and enable scrutiny committees to plan their work in such a way that it contributes to these forthcoming decisions and policy development.

There has been some uncertainty as to the way in which individual Cabinet Members are held to account, which has not been consistent across all of the scrutiny committees. There needs to be an agreed and consistent approach across all of the scrutiny committees as to how Cabinet Members report to scrutiny and how performance and decisions are scrutinised.

***Action 6 - There is a need for further, bespoke member development in how to scrutinise effectively (scrutiny's core role and responsibility, questioning skills, using data etc.). This needs to ensure that scrutiny can achieve its key function of 'holding the Executive to account' while also contributing more positively to policy formation and developing the council's overall policy framework. Introduce regular joint meetings of Scrutiny Chairs to encourage sharing of experiences and approaches.***

Key considerations are:

- Programme for Education and Social Services committees, including challenges faced in these services,
- Corporate Parenting training for all members.
- A successful organisation is one that is continuously learning from its mistakes. A review of the current arrangements for dealing with complaints is needed to ensure Cabinet is aware of issues. This could be reported as part of the Council's performance dashboard.

A final point is that we have spoken to a limited range of outside partners including neighbouring local authorities. But we feel that further work is required in testing the added value from work undertaken in forums such as the Cardiff Capital Region, Regional Partnership Board and the Public Services Board. Early intelligence suggests some duplication between the latter two forums.

The remainder of this report will now summarize our findings on key issues in services and possible assistance required to address these.

#### **4. CORPORATE FINANCE.**

The financial position of the Council has been well rehearsed in various documents culminating in one of the primary reasons for the current assessment. However, it is worth repeating some of the main points of concern as our exercise has confirmed those comments.

“The Council’s MTFP budget gap of £15million over the four-year period, and the reducing level of reserves strongly suggests that the Council cannot viably continue to operate as it has done. It is not sustainable for the council to rely on its reserves to support the ongoing costs of demand led services and projected future deficits. Careful consideration of reserve balances and how they might be used to support financial plans is particularly important. The challenge facing the council is significant. “ WAO. April 2019

“The workstreams have started too late in order to make the necessary impact upon next year’s budget savings required. They are not yet sufficiently aligned or focussed, to suggest that they are at the stage of development that will ensure a successful transformation of the organisation.

Although the Council’s MTFP is based over a four-year window, the general thinking and planning within the council is biased towards one-year budget planning.

.....too much emphasis is being placed on the need for Children’s Social care to balance their budget and a lack of acceptance about the need to transform the rest of the council.” John Gilbert. September 2019

It is clear that there is a good understanding of the realism of the budget situation within the Council and various Boards exist to develop or scrutinise financial matters. These include the Budget Board and the Change Management Board in addition to the formal meeting structure of the Council where financial matters are part of Terms of Reference. In addition, the first entry on the Council’s Corporate Risk Register is the “risk that the Council does not balance the budget and is not financially sustainable” and the register sets out actions that are in place to manage the risk.

The current Medium-Term Financial Plan (MTFP) approved in March 2019 shows projected budget deficits of £8.175million for 2020/21, £3.441million for 2021/22 £3.384million for 2022/23 amounting to a cumulative figure of £15million over the period. Key financing assumptions include council tax increases of 5.99% and revenue settlement reductions of 1% in each of the three years

In summary, the council’s current budget is resourced through and used on:

<b>Resources</b>	<b>%</b>	<b>Used/spent</b>	<b>%</b>
WG grant	67	Employees	43
Council tax	13	Running costs	51
NDR	12	Capital financing	4
Rents, charges etc	8	Levies	2
<b>Total</b>	<b>100</b>	<b>Total</b>	<b>100</b>

The current year's revenue monitoring position shows an improving picture from a projected overspend of £989,000 at Month 3 to a projected overspend of £85,000 at month 6. This latest figure is made up of a projected overspend on services of £614,000 (down from £989,000) offset by additional council tax income and vacancy savings of £529,000. The latest capital monitoring position shows a projected under achievement of £528,000 on core funded projects although much of the funding to support schemes will be carried forward to future years.

The position on earmarked and general reserves has changed significantly over the recent past and currently the level of general reserves is planned to be at their approved minimum level. The 2018/19 Annual Accounts show:

<b>Account</b>	<b>As at 31.3.2019</b>	<b>As at 31.3.18</b>	<b>Change from 2017/18</b>
	<b>£000</b>	<b>£000</b>	<b>£000</b>
General reserve	4,700	4,700	0
Insurance Reserve	2,169	2,169	0
Schools balances	1,762	1,846	-84
Earmarked reserves	6,896	12,405	-5,509

The 2019/20 budget included the use of £1,779,000 earmarked reserves and £483,000 from the general reserve bringing the latter to 3.51% of the annual budget.

### **What are the challenges/opportunities?**

Balancing the budget for 2020/21 but also over the medium term is an obvious, immediate priority. Although much work is ongoing with engagement across

the council from Cabinet members and officers, it will require a longer-term strategic approach to succeed fully.

Although the Provisional Settlement due to be published on 16 December may provide some respite for 2020/21, the opportunity should be taken to look out over the medium term to see whether resources can be used to support future budgets. This may also provide the opportunity to set aside an amount in a reinstated Corporate Investment Fund which could be accessed via an internal bidding process to invest in priority areas. Any change to the profile of council tax increases needs to be considered very carefully as a reduction means income to the council is forgone for ever.

For 2020/21, the savings proposals currently being discussed need to be finalised as soon as possible, while remembering that difficult decisions are always best taken as early in an electoral cycle as possible.

The workstreams within the Change Programme need to be reviewed so that clear paths to implementation of savings are documented and can be matched to delivery for future budgets. Resources to deliver the changes need to be factored into the exercise in order for momentum to continue. This requires the alignment of scarce resources with corporate priorities whilst maintaining adequate levels of service delivery.

### ***Actions 7 – Corporate finance***

- ***A budget timetable needs to be agreed between officers and Cabinet members which sets out the final dates by which budget components will be agreed.***
- ***Raise awareness of the strategy for public consultation on the budget.***
- ***The level and format of information to be used in presentations to stakeholders including cabinet, political groups, employees, trade unions and committees should be reviewed to encourage understanding of the reasons for difficult decisions.***
- ***Review the use of any improvement in the 2020/21 financial settlement against the backdrop of the medium-term financial challenge.***
- ***Consider introducing an inflation policy in the 2020/21 budget report which would remove the issue of specific charge raising reports.***
- ***Review balance sheet accounts to see whether any resources can be released in future years.***
- ***Widen the number of authorities engaged with to share good practice.***

### **Corporate Procurement**

**As is the case across the council for other functions, the corporate procurement team is very small with the result that no strategic approach to procurement is possible. Knowledge in respect of spend, vendors and contract performance are important aspects of performance monitoring and value for money exercises and so it is suggested that a Category Spend analysis is undertaken using external support.**

### *Action 8 – Corporate procurement*

*Undertake a category spend analysis with external support.*

### **Transformation/Performance Management**

Much has been documented about the Council's approach to transformation and performance management and that a more systematic arrangement is necessary, but it is clear that these matters are starting to be addressed albeit there is a long way to go. Officer capacity is an issue for the Council generally, but it is critical for resources to be found to drive the necessary transformation programme forward. The Corporate Management Team are working to deliver the current eleven workstreams but at an operational level the officer responsible also has a myriad of other responsibilities which detracts from his focus on change.

The current workstreams tend to be service based rather than thematic which reduces the opportunity for cross-council working and learning. For instance, a stream looking at Digital transformation would need buy-in from all parts of the council but should reap bigger rewards than service specific solutions. Similarly, although the council's Property Review Officer has been tasked with rationalising the property portfolio and reviewing office accommodation requirements, this should have its own thematic strand in the Programme.

Another of the responsibilities of this individual is Performance Management. A Corporate Management Update document is currently in development which could become a Council Dashboard for performance management purposes. This would be the sort of document to be used by both Members and senior officers to discuss strategic performance and ambition, in a consistent and informed way. Although in development, the document is not yet populated with all relevant information and it is not clear how the exercise will be resourced on an ongoing basis.

Since April 2019 the Internal Audit Service is delivered via a partnership with RCT, Bridgend and the Vale of Glamorgan. The opportunity should be taken to learn from these authorities in relation to performance management processes and practices.



### ***Action 9 – Transformation/Change***

- ***The components of the new Programme need to be finalised promptly and a wide-reaching communication strategy developed.***
- ***The Performance Management dashboard currently in development needs to be completed and adopted as the Council’s formal approach.***

## **5. EDUCATION.**

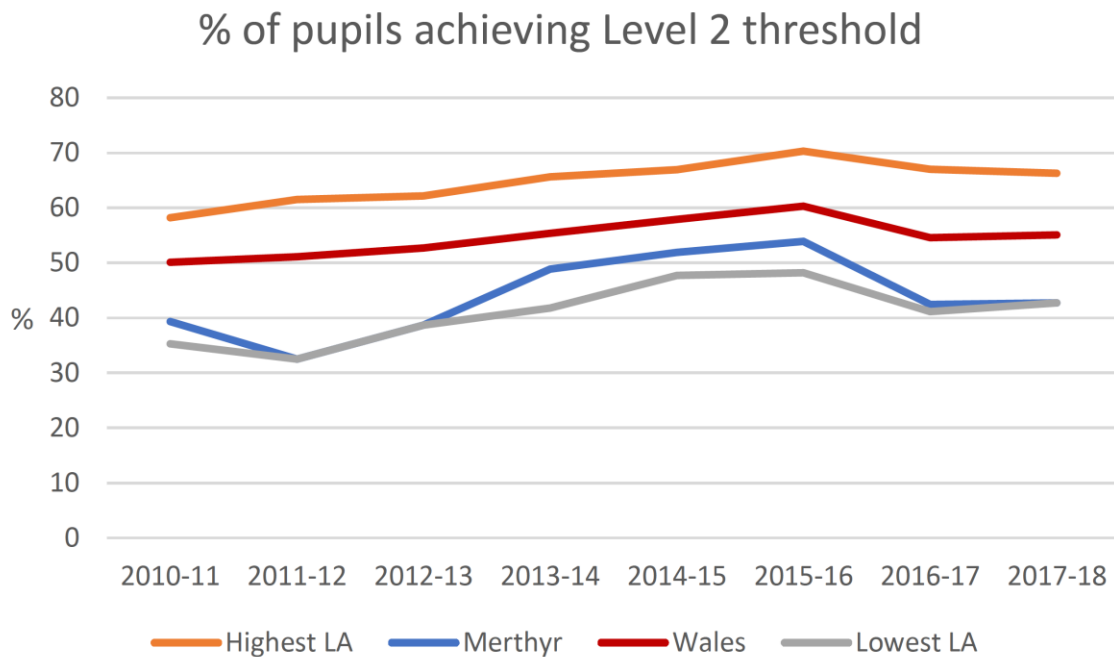
The authority was placed in Special Measures in 2012 and was removed from this position in 2016 having been judged to have improved sufficiently during the intervening period.

Merthyr Tydfil County Borough has 22 primary schools, 4 secondary schools one Special School and a Pupil referral Unit. Since 2012 there has been a tertiary system in place for post 16 education, provided by Merthyr Tydfil College.

By far the largest secondary school is Cyfarthfa High School (1121 pupils in 2018), which accounts for approximately 40% of all secondary school pupils in the county borough. This is followed by Afon Taf High School (645), Pen Y Dre High School (576) and Bishop Hedley High School (491).

Attainment levels at key stage 4 are a major concern. In 2017/18 Merthyr Tydfil was placed 22<sup>nd</sup> of the 22 local authorities in Wales in the key indicator of ‘level 2 plus’ – five GCSEs at grade A\*-C, including English and Maths. Compared to the Welsh average of 55.1% achieving this level, Merthyr Tydfil achieved only 42.7% (see Table 4). This position has deteriorated still further in 2018/19, with interim figures suggesting the local authority’s performance was 34.0% compared with a Welsh average of 49.9%

### **Table 4**



**Source - Data Cymru**

There is an urgent need to address these poor attainment levels, and to ensure that there is an ability to deal with a forthcoming period of education reform in Wales. At an individual school level, of the four secondary schools only one (Bishop Hedley) could be said to be performing well in terms of attainment levels and results. One school in particular, Cyfarthfa High School, is of particular concern. In it’s most recent ESTYN inspection, Afon Taf High School was placed in the category requiring ‘ESTYN review’.

Cyfarthfa High School is taking part in a Welsh Government pilot project which has only just begun, with one meeting of the multi-agency team having taken place so far. As well as driving improvement at the school, this project is also an opportunity to assess and refine the working of those with shared responsibilities for performance and improvement, including the school leadership, the governing body, the local authority and the school improvement consortium. Ensuring the effective working of each of the parties in this multi-agency environment is a high priority, not just for this one school but across education provision as a whole.

2019 results for Cyfarthfa High School indicate a further deterioration in the ‘level 2 plus’ performance from 45.1% to 39.3%, which has contributed to a worsening for the authority as a whole compared to the previous year. This school performs poorly on overall results, residuals and by comparison with its ‘family’ cohort of similar schools. The school has already received an informal warning letter from the local authority. The ‘capped 9 points score’ for year 11, pupils aged 15, also shows a highly concerning picture. Merthyr Tydfil was

placed last of the 22 local authority areas with a score of 317.9, against a Wales average of 349.5.

Analysis of ‘residuals’, a measure of performance against expected outcomes, shows one school – Bishop Hedley – to be performing significantly better than would be expected (17.1 percentage points above), but Cyfarthfa is performing 13.4 percentage points below. Afon Taf is also below expectation on ‘residuals’ data, at minus 7.9 percentage points.

There are changes taking place to the monitoring of data and performance in education in Wales. Following changes to the all Wales performance framework, these capped 9 and residual indicators will figure more prominently among the main indicators for monitoring performance in future years.

In common with other local authority areas in Wales, attainment by those coming from low-income families, in receipt of free school meals, is well below average. Only 23.8% of such young people achieved the level 2 plus indicator in 2018, compared with 42.7% for the authority as a whole, and 50.7% of those not eligible for free school meals.

School attendance has also been an area of concern. Unauthorised half-day absences in secondary schools for 2017/18 was 3%, compared to a Wales average of 1.6%. Half day absences due to all absences was 7.5%, compared with 6.1% for Wales as a whole. Secondary attendance in 2017/18 fell by 0.5% to 92.5%, which was the lowest of all the 22 authorities in Wales.

In the primary school sector, the position is not of such immediate concern. ESTYN have inspected 9 of the 22 primary schools during the current round of inspections and only one has been placed in any formal category, that of ESTYN review (Edwardsville Primary School).

Similarly, indications are that Foundation phase and Key Stage 2 performance is adequate, but with room for improvement. Merthyr Tydfil has partnership arrangements in place for a Joint Psychology Service with Rhondda Cynon Taff.

Post 16 results achieved by Merthyr College have been good, but the low levels of attainment at key stage 4 means that the cohort entering Further Education is lower than it should be, and the level at which those pupils pursue their studies is lower than ought to be expected.

Youth services are recognised as achieving high levels of engagement and positive results. 21% of young people aged 11-25 engaged with the youth

service in 2017/18, which was 5% better than for Wales as a whole. 15% of those young people secured accredited outcomes, which is significantly higher than the Welsh average (10%).

Youth participation is evidenced by the performance of the Youth Forum, and by initiatives such as the election of a Youth Mayor (where 2,500 young people participated in the election); a Young Leader programme (with 150 young people taking part); a successful annual Student Conference; and youth representatives on the council's scrutiny committees.

A further area of concern is the authority's capacity to deliver 21<sup>st</sup> Century Schools projects as experience to date has been problematic. This is an area which will require further assessment.

### **School improvement**

Responsibility for managing schools and driving improvement is shared across a number of bodies. This can lead to confusion and an insufficiently 'joined-up' response unless each party clearly understands their role, and how their work fits with, complements and supports others.

Governing bodies of schools have the day to day responsibility for the effective management of the school. The local authority retains its role as the local education authority and has a range of statutory powers available to fulfil that role; the local authority also directly provides some services such as the Youth Service and a Pupil Referral Unit, governs school admissions, support for Additional Learning Needs and so on; the Central South Wales Consortium has responsibility for school improvement and serves five local authority areas; ESTYN inspects schools and education providers and is 'Her Majesty's Inspector for Education and Training in Wales.'

During the period when the authority was in Special Measures, between 2012 and 2016, there was a marked improvement in attainment levels, and there were a number of initiatives supported by the authority (such as collaborative revision / exam preparation projects). However, partly due to limited and reducing funding, these have not been sustained.

The authority is recognised as having been proactive in challenging schools and making some key changes in recent years. It has an experienced Chief Education Officer appointed within the last two years. The Cabinet Member responsible for education is experienced, is herself employed in the education field, and has an undoubted commitment to the role. There have been some important changes in the organisation of Education Other Than At School

(EOTAS) provision, with the establishment of a much more robust Pupil Referral Unit; changes to school organisation in the primary sector, such as the Federation of Bedlinog Community Primary School and Trelewis Primary School; and use has been made on several occasions of statutory powers, including the issuing of an informal warning notice to Cyfarthfa School.

The council has a corporate schools board which challenges individual schools, and which draws membership from a range of partners, and which includes the Interim Chief Executive and Deputy, the Chair of the Scrutiny Committee and the Principal of Merthyr College.

There is recognition that recent council reports, and self-assessments, have been honest and demonstrate an understanding of the need for improvement and an acceptance by the council that change is needed. However, there is a need for greater urgency and a clearer picture of what that change should look like.

The Cabinet Member has declared a desire to establish an overarching strategy for education for Merthyr Tydfil. This strategy – Raising Aspirations: Raising Standards – will be ready for consultation early in 2020. This strategy will need to provide the basis for a clear programme of school improvement and transformation, and a broader vision for learning for the county borough, as an essential ingredient in the future vision for Merthyr Tydfil as a whole.

### **What are the challenges?**

Improving attainment is an obvious, immediate priority. This will require the following:

#### ***Actions 10 – Education***

- ***Establishing a clear and detailed understanding of what school improvement and transformation looks like for Merthyr Tydfil; where improvements need to be made; what are the priorities; and what role each of the parties involved in the delivery of education need to provide.***
- ***Further efforts to improve attendance and behaviour, building on the initiatives already being undertaken.***
- ***Greater collaboration between schools, and other providers, to share resources and best practice. With only four secondary schools, and one College of Further Education, Merthyr Tydfil has an excellent opportunity to develop a truly ‘collegiate’ approach to education delivery and improvement.***
- ***A sound understanding of the role of Governing Bodies, the local authority and the Central South Wales consortium and the way in***

*which each plays their role as part of an overall strategy. A clear understanding of the role of each partner, working together as an integrated team towards a well-worked strategy, will be crucial.*

- *Specifically, further assessment is needed as to the work of the Consortium, and the local authority needs to urgently review whether existing support from the is effective and what is needed to challenge schools more effectively and support improvement.*
- *A willingness by the local authority to use its statutory powers to their fullest extent if improvement does not occur.*
- *Specifically, a decision may be required urgently with regard to what further steps are taken to support improvement at Cyfarthfa High School where an informal warning letter has already been issued but where results continue to cause grave concern.*
- *A reappraisal of the role of the council's scrutiny committee to ensure that they play their part in monitoring progress and the development and delivery of the strategy for education and school improvement.*
- *An assessment of the effectiveness of school governing bodies and the role of local authority appointed governors. These local authority appointees in particular need to understand what is expected of them in the role and what is the authority's ambition and vision for education and schooling in Merthyr Tydfil.*
- *Ensuring a sufficient preparedness for a period of education reform and curriculum change.*
- *Following the lead of the Chief Officer for Education, Merthyr Tydfil should establish a multi-agency approach, based on an informal 'Improvement Conference' model which has been successfully adopted in some other parts of Wales. This would bring together key parties comprising the local authority (including elected Members), headteachers, governors, the education consortium, WAO, Estyn and others, to address issues such as performance, literacy and numeracy and wider concerns.*
- *Finally we recommend that the council would benefit from immediate and short term (approximately six months) additional capacity in the form of external advisers in education in order to accelerate the necessary change and improvement required by the council. The remit and purpose of the external advisers will be developed in conjunction with the relevant external member of the Improvement and Assurance Board and the respective Director of Service / Chief Officer from the council. For Education it would also be useful to explore options of support via the consortia.*

Because of the serious position with regard to current attainment levels, especially at Key Stage 4, this will inevitably occupy prominence in the immediate period ahead. However, the development of an overarching strategy for education and learning in Merthyr Tydfil will provide an opportunity to look at a broader range of issues including participation rates in Further and Higher education, vocational skills and the effectiveness of early years and Foundation phase provision.

## **6. SOCIAL CARE AND HOUSING.**

John Gilbert's report referred to a concerning view emerging within the organisation that Children's Services was the only service needing radical change and that attending to problems within the service equated to elimination of the council's problems in general. A significant overspend in the service contributed to this view. However, initial examination of the service suggests that attention to the overspend has resulted in it being successfully reduced to the extent that the projected figure is now relatively modest at under £100,000 compared to the original overspend of over £1million.

Our engagement with the children's services management team to date, which has included contact with users who have benefitted from the service, indicates that staff are committed to providing responsive services that are underpinned by fundamentally sound strategies. The service is working to a vision that embraces not only the principles of the Social Services and Well-being (Wales) Act 2014 but also those of the Well-being of Future Generations (Wales) Act 2015. Actions are based on the need to achieve early intervention in people's lives that prevent the escalation of risk and need and a more stable environment for those children who become looked after. There is evidence of good outcomes being achieved for children and young people and their families in Merthyr Tydfil.

However, change in the number of children looked after remains volatile, as much as 30% in both directions in one year, with as many as 19 children becoming looked after in one month. This illustrates the difficulty of maintaining a stable service, especially in a situation where capacity is limited. The nature of social services, for both children and adults, is that it is demand led making budgets difficult to control when statutory provision has to be met. Projected overspends are, therefore, a common feature when managing social services, and necessitate a measured response by elected Members which is based on establishing and understanding the causes and ensuring appropriate corporately supported action follows. There is a feeling within social services



that some elements of a blame culture still exist within the council relating to the service's overspends being the cause of problems for other council services.

Merthyr's general capacity problem as it relates to social care can be characterised by too much multi-tasking, a lack of strategic capacity, challenges of playing a full role in the regional partnership, difficulties in embedding and sustaining good practice, and an inability to drive through the strategic changes at the necessary scale and pace. Annual cuts in budgets have resulted in a very thin complement of staff at principal officer level in adult services, leaving the service vulnerable in terms of delivering its change programme and ensuring consistent safe services. Administrative and business support have also been severely depleted and the relocation of some of these functions to the corporate centre have impacted on the quality and availability of the dedicated support needed to run a successful social care service. This in turn reduces the confidence of service managers in the support received.

Staff in Merthyr Tydfil have to work imaginatively in order to compensate for the capacity deficit and have a valuable contribution to make to the regional agenda required under the Social Services and Well-being Act. However, they are inhibited from optimising their partnership role because of the need to prioritise their "day jobs". Whilst this could be said of most local authorities in Wales, the position is magnified in Merthyr. Being the smallest of the three authorities in the regional partnership means not only an ongoing fear of missing out on regional budget allocations but also a disproportionate effort is needed to fully participate in regional matters. It is not surprising that Merthyr Tydfil is unlikely to be able to lead on many regional initiatives despite being able to demonstrate it is following best practice. Regional working is mandatory in health and social services and Merthyr's ability to play its full role must be addressed.

The Cabinet Member for social services is a qualified social worker with a background in community development and has a good knowledge and understanding of the complexities of managing the service. He is clearly committed to supporting positive changes and his own SWOT analysis supports our initial findings which is encouraging.

A Care Inspectorate Wales report on aspects of social services provision is imminent and is also understood to confirm the general findings of our initial assessment. However, it is prudent to await this report before drawing more specific conclusions at this early stage. It must also be emphasised that more detailed work is needed to confirm whether these initial findings are supported by harder statistical evidence.

## *Action 11 – Social Care*

- *The capacity problem is self-evident and targeted immediate additional support, especially in the areas of business support and change management, is likely to bear fruit reasonably quickly. We have discussed with Welsh Government and are sourcing support.*
- *Discussions are needed with partner organisations to test their understanding of the challenges facing Merthyr Tydfil and to examine ways of ensuring Merthyr's contribution to, and benefit from, regional working is optimised. We are happy to facilitate these discussions.*
- *Internal discussions are needed between Social Services and colleagues in the corporate centre to ensure administrative and business support is sufficiently available at all times. Again we are happy to facilitate these and could form part of any work on reviewing the organisational structure.*

Recognising the importance of the regional agenda, meetings are planned in the near future with senior officials of the local health board, the third sector, and partner local authorities to establish a fuller picture of how Merthyr Tydfil is affected by its role within the regional partnership.

The council transferred its social housing landlord function in 2009 to a newly created registered social landlord, Merthyr Valleys Homes. The council retained its residual statutory functions such as homelessness and supporting people (now with social services) and also the overall control of the housing register through which allocations to properties are made. Good relationships with RSL partners are critical in an effective housing service, especially where there is a relatively high proportion of rented accommodation from RSLs such as that in Merthyr Tydfil (21.6%) and council officers claim these relationships to be positive with evidence of good outcomes from partnership working. However, discussions have not yet taken place with the RSLs to obtain their view.

There is a significant homelessness problem in Merthyr Tydfil with presentations up 35% in the last year. There appears to be a particular issue in resolving homelessness amongst the prison leaver population which is the third largest in Wales. Work is underway to tackle this but again the council is hampered by a lack of strategic capacity within its housing workforce. The capacity review is likely to highlight this as an issue.

The underspend in DFGs has been referred to earlier and will hopefully be resolved by the proposed new collaborative arrangements with RCT.

## 7. LEISURE TRUST.

The Leisure and Cultural Trust became operational on 1 April 2015 and since then, through a contractual agreement, has operated services from a portfolio of assets including:

- Libraries
- Leisure Centres
- Cyfartha Park
- Cyfarthfa Museum and Art Gallery
- Community facilities at Treharris and Gurnos
- Outdoor sports facilities

It is well known that the relationship between the Council and the Trust is not conducive to effective partnership working which was noted by the WAO when they carried out a review of the service earlier this year. Their report was issued in June 2019 with their overall finding being “we 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”.

As part of our rapid assessment exercise, meetings have been held with representatives of the Trust and separately with relevant council officers. It is clear to us that the Trust operations and governance arrangements did not get off to the best of starts probably because it was the first time that the Council had entered into such an arrangement for core services. The finances of the Trust have been uncertain, but the latest set of accounts show that the trustees have a reasonable expectation that the company has adequate resources to continue operational existence for the foreseeable future. The Trust now has its own Accounting system and staff, new financial measures, controls and procedures have been put in place which should all enable the company to build its reserves over the current and future years.

However, the current position is that there is a complete breakdown of trust between the two parties even to the extent that communication is now undertaken through lawyers as a result of the Council approving a report to take back the Cultural Assets element of the arrangement.

Examples of comments that have been highlighted from the parties are:

- The current contract is restrictive, but the Council has not taken any action to review the terms of the contract and still expects the Trust to

operate within its confines. An example is that leisure centres must stay open until 10pm on Christmas and New Year Eves.

- The council shares the view on the restrictive nature of the contract and emphasises that it is prepared to enter into discussion on contract variation.
- Performance management information required is extremely detailed and time consuming to prepare and the Trust appears unaware of how it is used within the Council.
- The council is frustrated at the apparent lack of commercial approach of the Trust in operating the Heritage buildings and services.
- The Council's current budget assumption is for the management fee to be reduced by £250,000 in 2020/21 although the Trust has not had any guidance on which services should be prioritised.
- "The Trust craves a real partnership with the Council"
- "The council is frustrated by the legal stalemate"

Despite these issues, both parties have considered allowing our team to undertake a facilitation role in bringing both sides to the table to discuss contract amendments and other matters. A meeting occurred on December 3<sup>rd</sup> which registered real progress. However there remains in place a legal dispute notice and the issue has also been raised directly with Welsh Government by the trade unions. The Council itself has recently made decisions which show a willingness to work through difficulties. For example recent discussions between the Trust and Council has led to the closure of the swimming pool for repair where we understand that the council will undertake necessary remedial work. However there are wider concerns that this dispute if not settled, could impede progress particularly on the £50million Crucible Industrial Heritage project. The board team have met with the Design Commission for Wales and spoken to the Deputy Minister for Economy and transport. There is frustration over the delays. Attention will now turn to establishing a Special Projects Vehicle to strategically manage the project.

#### ***Action 12 – Leisure Trust***

- ***Resolve the legal dispute between the council and the Leisure trust and move in a timely fashion to set up the Special Purpose Vehicle for the Crucible Heritage Project.***
- ***As a matter of urgency, the Council and the Trust need to establish some low-level acceptable changes to the operation of the contract in order to achieve the savings required by the Council for 2020/21.***

## **8. OTHER SERVICES.**

We have had more limited contact with services beyond the ones explored in the John Gilbert report but have spoken to range of service managers. A broad conclusion follows which reinforces our general conclusions particularly on capacity and resilience. For example in their recent annual audit letter the WAO highlighted the following. “Our review of the Council’s Environmental Health services found that the Council’s environmental health services resources have reduced, and it cannot demonstrate that it is delivering all its statutory environmental health services”. This conclusion probably applies to range of other key services, but the team will need to undertake further work to test this should this be required by Welsh Government.

## **9. CONCLUSION.**

This rapid assessment is published on the cusp of the announcement of the draft financial settlement for local government for 2020/21. The signs are that the settlement may be better than anticipated and Merthyr Tydfil’s assumption of a budget outcome at -1% can be revised upward. The council has begun to adjust its thinking to reflect this but also realises that any new monies must be invested wisely. Our team has stressed the school’s budget as a key area for attention and has urged that council tax assumptions are maintained at an increase of 5.99%. More than this we feel that the capacity review needs to identify areas of organisational fragility that demand immediate investment. While we are conscious of the administration’s desire to support an agenda of improving the public realm there are urgent strategic risks that must be tackled. Likewise there remain issues around factors like the pay claim which could swallow up additional resources. Again these are recognised by the council’s finance department.

### **Political Culture**

It is because of the range of matters highlighted throughout this report that the team feels that the council needs to be closely monitored. This includes political culture. Across MTCBC there are political “hotspots” and “dramas” associated with a variety of issues. Much of this plays out on social media sites especially Facebook. The team fully accepts that this is part of the cut and thrust of local politics. Democratic debate must be robust and rigorous. But in the case of Merthyr Tydfil this can consume enormous organisational energy often at the expense of more important matters. With the debilitating lack of capacity highlighted in this report the council can ill afford to be subsumed by this. Senior officers are all too often being asked to play the role of “referees” as opposed to professional advisors. This must be addressed with a clearly signalled shift in thinking from antagonistic to strategic. It is vital that this

occurs otherwise the governance of the council will subject to ongoing concern from regulatory bodies like the WAO. The ideas of the Centre for Public Scrutiny suggest a way forward in this respect. The council needs to create a framework which allows agreement of mutually endorsed outcomes and priorities which;

- Are owned by all local partners and leaders in an area;
- Provide a mechanism for leaders, across Merthyr Tydfil, to hold each other to account;
- Clearly articulate roles and responsibilities, and set out the framework for collaboration and deliberative decision-making;
- Establish how information sharing, transparency, insight/evidence-led decision-making will operate.
- Express new behaviours – including a new political culture – necessary for these things to be successful;

The urgency on these points cannot be over emphasised. The mission critical issue remains the parlous condition of the council and building resilience. While it is our view that the council can sustain itself in the short term with ongoing support, this is conditional. Support can help by transferring and embedding skills to the core team within the council. But we recognise the danger that with the scale of capacity problems we have detected it could mean that this temporarily plugs holes with problems reemerging later. Even with growth budgets the financial weakness, resource capacity and organisational health of Merthyr Tydfil is a cause for concern and ongoing examination.

Utilising some of the classical features of organisational health theory we detect further significant issues around -

- **Communication Adequacy** – a desired situation where information is relatively distortion free and travels both vertically and horizontally across the boundaries of the organization.
- **Optimal Power Equalization** - the ability to maintain a relatively equitable distribution of influence between the members and officers.
- **Resource Utilization** - the ability to coordinate and maintain inputs, particularly personnel, effectively with a minimal sense of strain.
- **Morale** - the state in which council employees have feelings of optimism, security, satisfaction, and well-being.

- **Innovativeness** - the ability to allow officers to be inventive, diverse, creative, and risk-taking.
- **Adaptation** - the ability to tolerate stress and maintain stability while changing to meet the unique needs of the council stakeholders.
- **Problem-Solving Adequacy** – the council’s ability to perceive problems and to solve them with minimal energy. Problems get solved, stay solved and the problem-solving procedures are strengthened.
- **Risk Management** – the recognition that the management of risk within the council now takes place within a particular and challenging context of a heightened public awareness of risk issues and greater expectations of council taxpayers, at the same time at which public trust in institutions is decreasing.

All this suggests that what the Wales Audit Office has identified in their letter of 31<sup>st</sup> May 2019 as an “extremely concerning situation” within the council retains currency. For example while we have been heartened by a better, albeit still fragile, position in social services, we have deep concerns about the education service and whether children are being well served by their schools. The corporate governance of the authority is not stable at the current time. As this report indicates we feel that elements of this are problematic and need to be urgently addressed. Hence the immediate moves to create capacity support. All the proposed statutory support will need to be agreed by the Minister and assurances will need to be provided that the package of additional capacity will make a difference. Ultimately the purpose of providing additional capacity is to help the council to develop its own ability to address its challenges independently and sustainably. If the required change does not materialise then more radical options will need to be explored.

Chris Burns -	Lead Education and Regeneration
Tony Garthwaite -	Lead Social Care and Housing
Christine Salter –	Lead Corporate Governance and Finance
Steve Thomas –	Board Chair

**December 2019**



## **Appendix 1 - Actions Arising from the Core Team Rapid Assessment**

**Action 1** - A short review should be undertaken of senior management roles and responsibilities to sharpen the council's management and organisational structure and clearly define work spans and portfolios.

**Action 2** - The capacity review should help inform reflections on the most appropriate management structure for the council set out in Action 1. It is suggested the capacity review should form part of the support package with the provision of an independent external adviser.

**Action 3** – We propose to work with Welsh Government to assist the council by sourcing external support to develop a transformation / improvement plan, which would be informed by but not limited to the key findings and recommendations from John Gilbert's scoping review.

**Action 4**- There is a clear case for greater exploration of shared services and collaborative ventures in other areas particularly support functions of the council. The team proposes that this be explored in depth and that immediate discussions should commence with neighbouring authorities.

### **Actions 5 – Leader, Cabinet and Member Development**

- The Leader has agreed to further mentoring support which is provided by Councillor Hugh Evans OBE the longstanding Leader of Denbighshire. A mentoring session has occurred.
- Leadership and commitment from Group Leaders to ensure members engage as part of the improvement programme. All need to complete PDRs.
- Political Leadership and Relations (between administration-opposition and administration-officers) – We have spoken to the WLGA who are proposing Max Caller CBE a very experienced Chief Executive who has worked for Welsh government and mentors' leaders and chief executives across England.
- Cabinet Development, visioning and planning – possibly provided by Cllr Neil Prior a senior Independent councillor from Pembrokeshire. The LGA have recommended him as he has undertaken similar work in England and is vice chair of the LGA Improvement Board.
- Charing Skills – for all chairs (WLGA could provide or commission)
- Scrutiny – skills development to enable robust and organised scrutiny arrangements

### ***Actions 6 – Scrutiny***

- *There is a need for further, bespoke member development in how to scrutinise effectively (scrutiny’s core role and responsibility, questioning skills, using data etc.). This needs to ensure that scrutiny can achieve its key function of ‘holding the Executive to account’ while also contributing more positively to policy formation and developing the council’s overall policy framework.*
- *Introduce regular joint meetings of Scrutiny Chairs to encourage sharing of experiences and approaches.*

### ***Actions 7 – Corporate finance***

- *A budget timetable needs to be agreed between officers and Cabinet members which sets out the final dates by which budget components will be agreed.*
- *Raise awareness of the strategy for public consultation on the budget.*
- *The level and format of information to be used in presentations to stakeholders including cabinet, political groups, employees, trade unions and committees should be reviewed to encourage understanding of the reasons for difficult decisions.*
- *Review the use of any improvement in the 2020/21 financial settlement against the backdrop of the medium-term financial challenge.*
- *Consider introducing an inflation policy in the 2020/21 budget report which would remove the issue of specific charge raising reports.*
- *Review balance sheet accounts to see whether any resources can be released in future years.*
- *Widen the number of authorities engaged with to share good practice.*

### ***Action 8 – Corporate procurement***

- *Undertake a category spend analysis with external support.*

### ***Action 9 – Transformation/Change***

- *The components of the new Programme need to be finalised promptly and a wide-reaching communication strategy developed.*
- *The Performance Management dashboard currently in development needs to be completed and adopted as the Council’s formal approach.*

### ***Action 10 - Education***

- *Establish a clear and detailed understanding of what school improvement and transformation looks like for Merthyr Tydfil; where improvements need to be made; what are the priorities; and what role each of the parties involved in the delivery of education need to provide.*
- *Further efforts to improve attendance and behaviour, building on the initiatives already being undertaken.*
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### ***Actions 12 - Leisure Trust***

- *Resolve the legal dispute between the council and the Leisure trust and move in a timely fashion to set up the Special Purpose Vehicle for the Crucible Heritage Project.*
- *As a matter of urgency, the Council and the Trust need to establish some low-level acceptable changes to the operation of the contract in order to achieve the savings required by the Council for 2020/21.*