



FULL COUNCIL REPORT

Date Written	6 th April 2021
Report Author	Ellis Cooper
Service Area	Council-wide
Exempt/Non Exempt	Non Exempt
Committee Date	21 st April 2021

To: Mayor, Ladies and Gentlemen

Audit Wales - Merthyr Tydfil County Borough Council – Assessment of Progress to Address Key Concerns

1.0 SUMMARY OF THE REPORT

- 1.1 In May 2019 Audit Wales issued a letter to Merthyr Tydfil County Borough Council outlining 4 concerns, namely: the financial situation of the Council; service pressures; leadership and capacity; and governance.
- 1.2 Following setting a balanced budget for 2019/2020, this Council took a proactive step and asked Welsh Government (WG) to support us in these challenging times. An Improvement and Assurance Board was appointed to carry out a rapid assessment exercise and in response, we developed a Recovery, Transformation and Improvement Plan.
- 1.3 Following issuing the letter to MTCBC in May 2019, Audit Wales developed a 'Merthyr Tydfil County Borough Council – Assessment of Progress to Address Key Concerns' report in March 2021 (Appendix 1). This report contains 10 recommendations.
- 1.4 Following Council receiving the Audit Wales presentation of their findings and recommendations, officers and Elected Members of the Council will develop a response that will be presented at a Council meeting in May 2021.

2.0 RECOMMENDATIONS that

- 2.1 The findings and recommendations in the 'Merthyr Tydfil County Borough Council – Assessment of Progress to Address Key Concerns' are noted and debated.

3.0 INTRODUCTION AND BACKGROUND

- 3.1 In May 2019 Audit Wales issued a letter to Merthyr Tydfil County Borough Council (MTCBC). This letter outlined concerns regarding the financial situation of the Council, service pressures, leadership and capacity and governance.
- 3.2 Following setting a balanced budget for 2019/2020, we took a proactive step and asked Welsh Government (WG) to support us in these challenging times. The Minister for Housing and Local Government appointed an Improvement and Assurance Board to carry out a rapid assessment exercise. To respond to the outcomes of this assessment, we developed a Recovery, Transformation and Improvement (RTI) Plan meeting the timescale set by the Minister.
- 3.3 The RTI Plan also addresses the concerns of Audit Wales as set out in their letter to MTCBC (points listed in section 3.1 above).
- 3.4 To further strengthen and refine our RTI Plan, we have set up monthly workshops with Elected Members and Scrutiny Members and also built the RTI Plan into our Corporate Well-being Plan.
- 3.5 Following issuing the letter to MTCBC in May 2019, Audit Wales developed a 'Merthyr Tydfil County Borough Council – Assessment of Progress to Address Key Concerns' report in March 2021 (Appendix 1). This report contains 10 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.
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: <ul style="list-style-type: none"> • the RTI Plan; and • holding the Cabinet to account in accordance with statutory guidance (Guidance for County and County Borough Councils in Wales on Executive and Alternative Arrangements 2006, paragraph 2.18).
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.

4.0 NEXT STEPS

- 4.1 Officers and Elected Members will work together to develop a response to the 'Merthyr Tydfil County Borough Council – Assessment of Progress to Address Key Concerns' report and present it to Council for approval in May 2021.
- 4.2 This will be delivered as part of the Council's RTI Plan as part of our journey of continuous improvement.

5.0 FINANCIAL IMPLICATIONS

- 5.1 There are no specific financial implications identified in this report. Any financial implications arising from the delivery of responses to these recommendations will be reported to Cabinet/Council as appropriate, including potential options for funding.

6.0 INTEGRATED IMPACT ASSESSMENT

	Positive Impacts	Negative Impacts	Neutral/Not Applicable
1. Merthyr Tydfil Well-being Objectives	4 of 4	0 of 4	0 of 4
2. Sustainable Development Principles - How have you considered the five ways of working? <ul style="list-style-type: none"> • Long term • Prevention • Integration • Collaboration • Involvement 	5 of 5	0 of 5	0 of 5
3. Protected Characteristics (including Welsh Language)	0 of 10	0 of 10	10 of 10

4. Socio-economic Disadvantage	6 of 6	0 of 6	0 of 6
5. Consultation and Engagement	Undertaken	Due to be Undertaken	Not Required
	1 of 1	0 of 1	0 of 1
6. Data and Evidence to inform the proposal	Yes		No
	1 of 1		0 of 1
7. Biodiversity and the resilience of Ecosystems	Maintained	Enhanced	Reduced
	0 of 1	0 of 1	0 of 1
Summary			
The main positive impacts are:	By addressing the recommendations in the Audit Wales Report (March 2021) - 'Merthyr Tydfil County Borough Council – Assessment of Progress to Address Key Concerns', the Council will be better placed to deliver its corporate well-being plan (including its well-being objectives).		
The main negative impacts are:	No negative impacts have been identified.		

ELLIS COOPER
CHIEF EXECUTIVE

COUNCILLOR LISA MYTTON
LEADER OF THE COUNCIL

BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
Does the report contain any issue that may impact the Council's Constitution?		No

Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.