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Mr Keith Griffiths
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Date	26 th September 2012
Our reference	479A2012
Your reference	
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Pages	1 of 10

Dear Mr Griffiths,

Improvement Assessment

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

This letter summarises:

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

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

The Council has discharged its improvement planning duties under the Measure and has acted in accordance with Welsh Government guidance

I have reached this conclusion because:

The Council continues to build on its robust arrangements for delivering improvement and its improvement plan is well-considered and defines the outcomes the Council wants to achieve and why it needs to take action to achieve them

The *Corporate Plan 2012-13* (the Improvement Plan) sets out the Council's eight priorities for improvement that it plans to deliver over the next three years. The Plan is set in the context of the longer-term vision for the area, with links to the Community Strategy and Outcome Agreements. A number of refinements have been made to the Plan since last year, for example, to explain more clearly the rationale for selecting improvement priorities, including how these have been shaped by consulting citizens, businesses and other stakeholders. The Plan incorporates the results of consultation carried out in drawing up the Strategic Equality Plan. Improvement priorities and associated actions are set in the context of a critical self-assessment of how the Council's performance compares with that of other councils in Wales and England. Areas of weakness and comparative underperformance are acknowledged and acted upon. Importantly, the Plan now spells out the outcomes the Council wants to achieve for each priority and why it needs to take action to achieve them.

As it was last year, the Plan is well thought out and clearly presented. It is comprehensive, well written and easy to follow, successfully meeting the needs of both public and internal audiences. The plan is in two parts: a narrative setting out the context and examples (but not the detail) of what the Council is going to do and how it will monitor progress; and a number of technical appendices containing detailed action plans for each improvement priority. The action plans are capable of being read and understood independently of the preceding narrative, allowing the reader to choose the level of detail they want to pursue. Consistent terminology is now used to describe improvement objectives, making it easier for key messages to be conveyed and understood. Technical terms are kept to a minimum and the plan's structure helps the reader navigate a considerable amount of information with relative ease. Key milestones and targets are in place, lead officers are identified and the measures that will be used to monitor progress are placed in the context of current performance trends and how this compares with other councils.

The Plan was published in electronic format on the Council's website on 5 July 2012 and hard copies have been made available in libraries and other local centres. The Council considers the detailed Plan to be a technical document of limited public interest. Accordingly, in line with its Welsh Language Scheme, it has not published a Welsh version of the Plan although it will provide one on request. A brief bilingual summary of the Plan was placed in the July 2012 edition of *Outlook*, the Council's newsletter to residents.

Based on, and limited to, work carried out to date by the Wales Audit Office and relevant regulators:

I believe that the Council is likely to comply with the requirement to make arrangements to secure continuous improvement during this financial year

I have reached this conclusion because:

The Council is making good progress in addressing the areas for improvement identified in my previous assessments

I have previously reported a number of proposals for improvement and also noted some areas where we would undertake further work. Progress on these matters is summarised below and described in more detail in Appendix 1.

The Council:

- has further improved its plans so that they aid public understanding about what outcomes the Council is working to achieve; and
- is developing projects designed to further enhance service planning and financial management through considered and targeted use of 'zero-basing' of budgets and unit cost indicators.

My staff need to carry out further work to enable them to assess the Council's progress on improving performance in core areas of social services, and further developing its ICT governance arrangements. I will report more fully in my Annual Improvement Report later in the year.

The Council has a robust approach to achieving efficiency and resourcing planned improvements in services

The Council is clear as to the impact of reduced public funding and has used appropriate and wide-ranging information, financial and otherwise to inform its plans. The Council's Medium Term Financial Planning arrangements assess proposed investment requirements and efficiency target setting, having regard to improvement priority areas. As part of this process, any proposed service changes are challenged and impact assessed against improvement priorities. An internal Value for Money model is under development, which will seek to identify and prioritise service areas where zero basing may be appropriately deployed.

The Council has good business planning and monitoring arrangements to support delivery of its improvement objectives. Arrangements to report and monitor progress are robust at both officer and member level although there is scope for more effective self-evaluation of whether intended outcomes are being achieved.

The Council is developing its risk management arrangements although these have yet to be fully implemented

The Council has revised and updated its risk management policy in order to better focus corporate attention on significant strategic risks. The new policy should ensure that strategic risks are identified, reported and monitored at a corporate level, with more operational risks being dealt with as part of business planning arrangements. The policy incorporates a toolkit for identifying risks and Ffynnon is being used to record the risks and the measures in place to mitigate them.

Work is underway to establish a Council-wide strategic risk register, documenting those strategic risks the Council is facing, in particular any significant risks that impact adversely on the Council achieving its priorities. This will be maintained as a live document and periodically reported to Corporate Management Team and to members via the Cabinet Performance and Resources Committee.

Corporate arrangements for collecting, reporting and monitoring performance are effective

Every council needs to have good information and use it well if it is to provide good services and make them even better.

Our audit of the Council's systems for reporting its performance covered a range of National Strategic Indicators, Public Accountability Measures, Service Improvement Datasets and local measures. We identified that supporting data was robust although in three cases we suggested that the basis of calculation be improved. Our recalculation of the local performance indicators did not lead to any significant change in the results. We also qualified one indicator. We have provided officers with detailed findings so that they can address the causes of those errors found.

I will report further on the performance of services in my Annual Improvement Report.

The Council's education services for children and young people are adequate and it has adequate prospects for improvement

The Council's education services for children and young people were inspected by Estyn in March 2012. Estyn published its inspection report in July 2012 and this is available on its website www.estyn.gov.uk

Estyn assessed the Council's education services for children and young people as adequate with adequate prospects for improvement. A summary of the inspection findings and conclusions is set out in Appendix 2.

Further proposals for improvement

No new proposals for improvement are being suggested in this letter. We 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.

Updates to the work plan and timetable

My Improvement Assessment Team will keep the Council informed of the detailed arrangements for the delivery of my assessment work.

The regularly updated work plan and timetable provides more detail on the work being delivered during this year's assessment and in particular how we will add value by focusing on jointly identified areas or services.

The work plan and timetable takes account of my consultation with improvement authorities over my proposals for 2012-13 performance audit work. In particular, I shall be asking my Improvement Assessment Team to consider during the year the reliance that we can place upon the self-assessment processes (including your review of governance in producing the Annual Governance Statement and your Annual Performance Report). I shall comment on this approach in my Annual Improvement Report.

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

Yours sincerely



HUW VAUGHAN THOMAS

AUDITOR GENERAL FOR WALES

CC: Carl Sargeant, Minister for Local Government and Communities

Colin Davies – Manager

Justine Morgan – Performance Audit Lead

Appendix 1

Proposals for improvement	Progress
<p>P1 Ensure greater consistency between the terminology used to convey key messages in the improvement plan, action plans and public summary to aid understanding about what the Council wants to achieve, what it plans to do and to make it easier to cross reference between the main documents.*</p>	<p>This year's improvement plan, called the Corporate Plan 2012-13(the Plan), is well thought out and clearly presented. Consistent terminology is now used to describe improvement objectives making it easier for key messages to be conveyed and understood. Hyperlinks are incorporated to direct the reader to the Community Strategy and Outcome Agreement.</p>
<p>P2 Continue to improve the effectiveness of improvement planning by ensuring that relevant, outcome-based success measures and critical improvement actions are in place together with appropriate targets and milestones.*</p>	<p>The Plan sets out the outcomes the Council wants to achieve for each priority and why it needs to achieve them. Each action plan is supported by relevant information on the context for action, the difference the Council hopes to make to the lives of citizens and elaborates on what it is going to do in more detail. Key milestones and targets are set, lead officers are identified and the measures that will be used to monitor progress are placed in the context of current performance trends and how this compares with other councils.</p>
<p>P3 Strengthen service planning and financial management by ensuring that the links between strategic and improvement priorities and the Medium Term Financial Plan are clear and consider 'zero-basing' elements of the budget on a periodic basis so that the budget reflects current activity levels.*</p>	<p>The Council's financial planning arrangements incorporate an assessment of proposed investment requirements and efficiency target setting having regard to improvement priority areas. As part of this process, any proposed service changes are challenged and impact assessed against improvement priorities.</p> <p>An internal Value for Money model is under development which will seek to identify and prioritise service areas where zero basing may be appropriately deployed. Work to date has focused on design proposals for the new model which will then be subject to scrutiny and challenge by CMT to assess whether the approach is reasonable and balanced.</p> <p>My staff will continue to monitor the Council's progress in this area.</p>

Proposals for improvement	Progress
<p>P4 Develop a suite of performance indicators to measure unit costs and promote internal benchmarking between key service areas in order to provide appropriate information for scrutiny and challenge, and help identify scope for further efficiencies.*</p>	<p>As part of compiling improvement priority action plans for 2012-13, Lead Officers proposed a selection of unit cost indicators that would help illustrate the extent of progress being made. Where available, either internal or external comparators were also identified to help set current performance/target in context. For example, the Children's Services action plan utilises two unit cost indicators which are collected by 14 other local authorities. The Customer Care priority utilises a unit cost indicator also collected from other authorities via SOCTIM. In total, four unit cost indicators have been included within the 2012-13 improvement priority action plans – these are:</p> <ul style="list-style-type: none"> • Children's Services • Average cost per external fostering placement per week • Average cost per external residential placement per week • Maintaining People's Independence • In House Residential Care for the Elderly (HFEs) – Average Direct Gross Weekly Cost per Occupied Bed. Budgeted • Customer Care • Contact Centre (Day) – cost per inbound call <p>Other unit cost indicators are also utilised at an operational level to inform service delivery/strategy. For example, the average weekly cost for an in-house fostering placement is collected (that is lower than the cost of an external fostering placement). This information has helped inform and support the drive to recruit more in-house foster carers, with an indicator and actions included in the Children's Services improvement priority action plan to monitor progress.</p> <p>I am encouraged by the progress the Council is making in this area and my staff will continue to work alongside the Council to assess progress.</p>
<p>P5 Further develop ICT governance arrangements so that they better align with, and support delivery of, the Council's improvement and transformation priorities.</p>	<p>Work is ongoing to assess performance in this area and I will report more fully in my Annual Improvement Report later in the year.</p>

Proposals for improvement	Progress
P6 Use existing service planning and performance management systems more effectively to set and monitor improvements in core areas of services to children and young people, and to adults in need.	Assessment of progress in this area will be undertaken jointly with CSSiW and I will report findings on progress in my Annual Improvement Report later in the year.

Appendix 2

Estyn assessed the Council's education services for children and young people as adequate with adequate prospects for improvement following their inspection in March 2012. The following summary is an extract from the full inspection report published in July 2012 which is available on Estyn's website www.estyn.gov.uk

The Council's education services for children and young people are adequate because:

- the Council is improving its knowledge and understanding of its schools through the better use of data;
- support for learners with additional learning needs is improving and impacting well on learners;
- elected members have taken difficult decisions recently regarding school closures;
- the Council has a long history of partnership working and mature relationships, which helps to deliver joint working effectively; and
- the Council's leadership is beginning to focus more sharply on raising standards for learners.

However:

- standards are average in key stages 1, 2 and 3 and too low in key stage 4;
- the Council's use of data is improving but it does not evaluate and analyse outcomes effectively enough to benefit individual and groups of learners;
- attendance is below average in secondary schools and well below average in primary schools compared to levels in similar schools across Wales;
- the number of surplus places is too high, although there are firm plans in place to address this;
- the quality of the leadership and management of schools is too inconsistent; and
- levels of challenge and scrutiny are not robust enough across services and partnerships.

The Council has adequate prospects for improvement because:

- leaders and managers have a strong commitment to deliver the necessary changes to improve standards for learners; and
- the Council is committed to collaborative and partnership working.

However:

- performance in 2011, taking into account the proportion of pupils entitled to free school meals, has declined since previous years;
- improvements are too recent to demonstrate a successful track record;
- previous recommendations to improve attendance and reduce surplus places were not addressed fully; and
- management changes in the Council are too new to demonstrate their impact on learners.

In order to improve, Rhondda Cynon Taf Council needs to:

- R1 raise standards in schools particularly in key stage 4;
- R2 improve attendance rates in all schools;
- R3 improve the evaluation and analyses of data across service areas and partnerships to drive improvements in outcomes for learners;
- R4 use the full powers available to the authority to improve leadership and management in schools;
- R5 reduce surplus places; and
- R6 improve the rigour and the level of scrutiny and challenge across all services and partnerships.