

Meeting of:	Corporate Performance and Resources Scrutiny Committee
Date of Meeting:	Wednesday, 24 May 2023
Relevant Scrutiny Committee:	Corporate Performance and Resources
Report Title:	Vale of Glamorgan Council – The Application of the Sustainable Development Principle in Service Areas
Purpose of Report:	To present the findings of Audit Wales’s review of the Council’s arrangements for ensuring service areas are applying the sustainable development principle.
Report Owner:	Tom Bowring, Director of Corporate Resources
Responsible Officer:	Tom Bowring, Director of Corporate Resources
Elected Member and Officer Consultation:	No specific ward member consultation has been undertaken. Regulatory reports apply to the whole authority and inform Scrutiny Committees’ annual work programme, the Cabinet annual work programme and the Council’s improvement programme. Progress in relation to areas for improvement arising from the Annual Regulatory Plan (including local and national reviews) is regularly reported via the Council’s Insight Tracker to the Strategic Leadership Team, relevant Scrutiny Committees, Governance and Audit Committee and Cabinet for final oversight.
Policy Framework:	This is a matter for Executive decision by Cabinet.
<p>Executive Summary:</p> <ul style="list-style-type: none"> • During 2021/22, Audit Wales raised concerns regarding the Council’s approach to addressing a proposal for improvement arising from the review of Outsourced Leisure Services. This related to strengthening the application of the sustainable development principle in the renewal of the Council’s leisure contract. Whilst considerable assurance was taken from the Council’s subsequent actions in response to the concerns raised, further assurance was sought by Audit Wales to ensure the learning was being embedded across the Council’s services. • A review was subsequently undertaken by Audit Wales in the latter half of 2022 to gain further assurance that the Council was strengthening its arrangements for ensuring service areas are applying the sustainable development principle. • The report (Appendix A) outlines the key findings of this work. The review findings were positive and concluded that, ‘the Council’s arrangements for ensuring service areas apply the 	

sustainable development principle are largely effective, although there is scope to further develop some elements.' Key findings include:

- The Council's senior officers, supported by a corporate framework, are helping to drive a positive culture that supports services to apply the sustainable development principle, but this is not fully incorporated in its project management toolkit;
- There is effective corporate support to help service areas to apply the sustainable development principle, but there is an opportunity for the Council to strengthen its learning and development offer; and
- The Council has mechanisms in place that help it to assess whether service areas are effectively applying the sustainable development principle and is applying learning to strengthen its arrangements.
- Two recommendations were made:
- R1: The Council should develop its project management toolkit to ensure that those documents help officers to apply the sustainable development principle from the outset.
- R2: The Council should develop its learning and development offer to help to ensure that staff across the organisation understand the Well-being of Future Generations Act (Wales) 2015 and are able to apply the sustainable development principle as needed in their roles.
- In response to the above recommendations, the Director of Corporate Resources has developed an action plan (**Appendix B**) which will be progressed by the Council.
- In line with the Council's performance monitoring arrangements, progress against our regulatory improvement areas will be monitored via the Insight Tracker. All Scrutiny Committees will continue to be informed of progress against our regulatory improvement areas through quarterly performance monitoring arrangements. This will be supplemented with a 6 monthly and annual review of regulatory progress, which will also be reported to the Governance and Audit Committee and Cabinet for final oversight. Progress will also be monitored by Audit Wales as part of the Council's annual audit work programme.
- Corporate Performance and Resources Scrutiny Committee members are asked to consider the contents of the appended reports including the Council's response (in the form of an action plan – **Appendix B**) with any recommendations /comments being referred to Governance and Audit Committee and thereafter, on to cabinet for their consideration and endorsement of the proposed actions to address the recommendations.

Recommendations

1. That Corporate Performance and Resources Scrutiny Committee considers the findings arising from the review of the Council's Application of the Sustainable Development Principle in Service Areas ([Appendix A](#)) and the response to the review findings and Audit Wales's recommendations (**Appendix B**).
2. That subject to recommendation one, the report be referred to Governance and Audit committee and thereafter to Cabinet for their oversight and endorsement of the proposed Council actions (**Appendix B**) to address the recommendations.

Reasons for Recommendations

1. To provide for scrutiny of the findings of Audit Wales's review of the Council's Application of the Sustainable Development Principle in Service Areas.
2. To ensure the Council responds appropriately and implements areas of improvement as identified by Audit Wales.

1. Background

- 1.1 During 2021/22, Audit Wales raised concerns regarding the Council's approach to addressing a proposal for improvement arising from the review of Outsourced Leisure Services. This related to strengthening the application of the sustainable development principle in the renewal of the Council's leisure contract. Whilst considerable assurance was taken from the Council's subsequent actions in response to the concerns raised, further assurance was sought by Audit Wales to ensure the learning was being embedded across the Council's services.
- 1.2 A review was subsequently undertaken by Audit Wales in the latter half of 2022 to gain further assurance that the Council was strengthening its arrangements for ensuring service areas are applying the sustainable development principle.

2. Key Issues for Consideration

- 2.1 The report ([Appendix A](#)) outlines the key findings of the review and sought to answer the question: 'Does the Council have effective arrangements for ensuring that service areas are applying the sustainable development principle?'
- 2.2 The review findings were positive and concluded that, 'the Council's arrangements for ensuring service areas apply the sustainable development principle are largely effective, although there is scope to further develop some elements.' Key findings include:
- 2.3 The Council's senior officers, supported by a corporate framework, are helping to drive a positive culture that supports services to apply the sustainable development principle, but this is not fully incorporated in its project management toolkit;
- 2.4 There is effective corporate support to help service areas to apply the sustainable development principle, but there is an opportunity for the Council to strengthen its learning and development offer; and

- 2.5 The Council has mechanisms in place that help it to assess whether service areas are effectively applying the sustainable development principle and is applying learning to strengthen its arrangements.
- 2.6 Two recommendations were made:
- 2.7 R1: The Council should develop its project management toolkit to ensure that those documents help officers to apply the sustainable development principle from the outset.
- 2.8 R2: The Council should develop its learning and development offer to help to ensure that staff across the organisation understand the Well-being of Future Generations Act (Wales) 2015 and are able to apply the sustainable development principle as needed in their roles.
- 2.9 In response to the above recommendations, the Director of Corporate Resources has developed an action plan (**Appendix B**) which will be progressed by the Council.
- 2.10 In line with the Council's performance monitoring arrangements, progress against our regulatory improvement areas will be monitored via the Insight Tracker. All Scrutiny Committees will continue to be informed of progress against our regulatory improvement areas through quarterly performance monitoring arrangements. This will be supplemented with a 6 monthly and annual review of regulatory progress, which will also be reported to the Governance and Audit Committee and Cabinet for final oversight. Progress will also be monitored by Audit Wales as part of the Council's annual audit work programme.
- 2.11 Corporate Performance and Resources Scrutiny Committee members are asked to consider the contents of the appended reports including the Council's response (in the form of an action plan – **Appendix B**) with any recommendations /comments being referred to Governance and Audit Committee and thereafter, on to cabinet for their consideration and endorsement of the proposed actions to address the recommendations.

3. How do proposals evidence the Five Ways of Working and contribute to our Well-being Objectives?

- 3.1 Performance Management is an intrinsic part of corporate governance and integrated business planning which underpins the delivery of the Council's Corporate Plan and its Well-being Outcomes. Our Corporate Plan has been structured around the Well-being of Future Generations (Wales) Act 2015, through the development of four Well-being Outcomes and eight Well-being Objectives. By aligning our Well-being Outcomes in the Corporate Plan with the Well-being Goals of the Act, this will enable us to better evidence our contribution to the Goals.
- 3.2 External Regulation is an important vehicle for driving continuous improvement across our services. Progressing the improvement areas identified by our regulators not only enables us to demonstrate our commitment to continuous service improvement, but also contributes to further strengthening our impact on the national well-being goals through the achievement of our well-being objectives.

- 3.3** Associated action plans in response to regulatory review findings are developed with the five ways of working in mind. The focus is on developing innovative ways of working that better integrate services, whilst enabling us to work more collaboratively with our partners and citizens to involve them in improving service delivery. Our improvement actions will also focus on preventative actions that will enable us to sustain and future proof our services into the longer term

4. Climate Change and Nature Implications

- 4.1** There are no implications directly arising from this report although, failure to respond to our regulatory recommendations could have a negative impact on any future external regulatory assessments and could result in a special inspection by the Auditor General for Wales if deemed that the Council is not acting in accordance with the sustainable development principle when setting and delivering its well-being objectives, and not meeting the performance requirements.

5. Resources and Legal Considerations

Financial

- 5.1** There are no additional budgetary implications directly arising from this report, although failure to progress the improvement areas outlined in the report could have a negative impact on any future external regulatory assessments of the Council which could in turn put funding opportunities at risk.
- 5.2** The development of the Council's project management toolkit and its learning and development offer to support colleagues in applying the sustainable development principle as needed in their roles will be undertaken within existing resources.

Employment

- 5.3** There are no direct workforce related implications associated with this report.

Legal (Including Equalities)

- 5.4** The statutory duties of the Auditor General are contained within the Local Government & Elections (Wales) Act 2021 (LG&E Act), the Well-being of Future Generations (Wales) Act 2015, the Public Audit (Wales) Act 2004, the Local Government Act 1999 and the Code of Audit Practice.
- 5.5** The Auditor General for Wales is statutorily required under the Well-being of Future Generations (Wales) Act 2015, to examine public bodies to assess the extent to which they have acted in accordance with the sustainable development principle when setting their well-being objectives and taking steps to meet them.
- 5.6** Under the LG&E Act, a special inspection of the Council may be undertaken if the Auditor General for Wales considers that the Council is not, or may not be

meeting, the performance requirements. This inspection is to assess the extent to which the Council is meeting the performance requirements, in exercising its functions effectively; using its resources economically, efficiently and effectively; and in ensuring its governance is effective for securing the above.

6. Background Papers

None

Vale of Glamorgan Council – the Application of the Sustainable Development Principle in Service Areas

Audit year: 2022-23

Date issued: March 2023

Document reference: 3442A2023

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This document is also available in Welsh.

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Summary report

Summary

What we reviewed and why

- 1 During 2021-22, we liaised with the Council about our concerns regarding the leisure contract renewal. The Council had not addressed the proposal for improvement in our November 2020 [Review of Outsourced Leisure Services](#) report in relation to strengthening the application of the sustainable development principle. We took considerable assurance from the Council's subsequent actions responding to our concerns. However, we stated that going forward we will be keen to see that the understanding of the sustainable development principle demonstrated by the Council in response to our concerns about the leisure contract renewal is mirrored across the Council.
- 2 We undertook this review to gain assurance that the Council has effective arrangements for ensuring that service areas are applying the sustainable development principle.
- 3 When we refer to leadership in this report, we are referring to officers as opposed to members. This is because the focus of our work was on how officers ensure that service areas are applying the sustainable development principle.
- 4 We undertook the review during the period September to December 2022.

What we found

- 5 Our review sought to answer the question: Does the Council have effective arrangements for ensuring that service areas are applying the sustainable development principle?
- 6 Overall, we found that: The Council's arrangements for ensuring service areas apply the sustainable development principle are largely effective, although there is scope to further develop some elements. We reached this conclusion because:
 - the Council's senior officers, supported by a corporate framework, are helping to drive a positive culture that supports services to apply the sustainable development principle, but this is not fully incorporated in its project management toolkit;
 - there is effective corporate support to help service areas to apply the sustainable development principle, but there is an opportunity for the Council to strengthen its learning and development offer; and
 - the Council has mechanisms in place that help it to assess whether service areas are effectively applying the sustainable development principle and is applying learning to strengthen its arrangements.

Recommendation

Exhibit 1: recommendations

The table below sets out the recommendations that we have identified following this review.

Recommendations	
R1	The Council should develop its project management toolkit to ensure that those documents help officers to apply the sustainable development principle from the outset.
R2	The Council should develop its learning and development offer to help to ensure that staff across the organisation understand the Well-being of Future Generations Act (Wales) 2015 and are able to apply the sustainable development principle as needed in their roles.

Detailed report

The Council's arrangements for ensuring service areas are applying the sustainable development principle are largely effective, although there is scope to further develop some elements

The Council's senior officers, supported by a corporate framework, are helping to drive a positive culture that supports services to apply the sustainable development principle, but this is not fully incorporated in its project management toolkit

7 In reaching this conclusion we found that:

- we found that senior officers at the Council provide clear direction and leadership to ensure that expectations regarding the sustainable development principle are clear and understood across the organisation. For example, the terms of reference of the Strategic Insight Board specifically state that its purpose is to provide a strategic focus and support the delivery of the Well-being of Future Generations Act (Wales) 2015 (the Act). The Chief Executive is committed to ensuring the sustainable development principle is being applied, as demonstrated by his constructive and proactive response to the concerns we raised about the leisure contract¹.
- the Council has a corporate framework that positively promotes consideration of the sustainable development principle. This framework includes:
 - Corporate Plan
 - Annual Delivery Plan
 - Service plans
 - Team plans
 - Directorate self-assessments
 - Committee/Cabinet report templates
 - Performance reporting and cross cutting scrutiny committees
- examples of the corporate framework promoting consideration of the sustainable development principle include:
 - the team plan template clearly sets out expectations that teams are to apply the sustainable development principle.

¹ For further information see Appendix 1 of our [Assurance and Risk Assessment review](#).

- the Directorate self-assessment process prompts Directorates to give detailed consideration of how they have acted in accordance with the five ways of working.
- senior officers told us that they were confident that they understood the expectations on them around applying the sustainable development principle. This understanding came through in our fieldwork where we observed senior officers actively promoting the implementation of the framework.
- the Council also has other mechanisms that help drive the application of the sustainable development principle. These include a number of cross-cutting, multi-Directorate forums to tackle challenging issues, such as:
 - the Project Zero Board;
 - ‘Huddles’² that have been set up to help the Council consider its plans to address Cost of Living and Children’s Mental Health;
 - the Strategic Insight Board; and
 - the Chief Officers Group and related management development sessions.
- during our fieldwork, we observed meetings of the Social Services Reshaping Board, the Strategic Insight Board and the Project Zero Board. We found several examples of how these forums are helping to drive the Council’s application of the sustainable development principle. For example, we observed challenge on the application of the sustainable development principle, such as how the public are going to be involved in relation to active travel.
- importantly, we could see evidence of the Council’s corporate framework being implemented as intended. For example, the completed Directorate self-assessments show meaningful consideration of the prompts in relation to the five ways of working. Officers were confident in giving examples of where service areas were applying the sustainable development principle.
- overall, we are assured that the Council is developing a positive culture, which is effectively driving the application of the sustainable development principle.
- however, the Council’s project management documentation, such as its business case templates, do not provide prompts for officers to ensure that they are giving early consideration to the sustainable development principle. Therefore, there is a risk that officers do not take account of the five ways of working from the outset in projects and service changes. Arrangements such as project groups should help challenge application of the sustainable development principle as projects develop. However, there is an opportunity

² The Council is using the term ‘Huddle’ to describe the coming together of officers from across the Council on the issues of Cost of Living and Children’s Mental Health.

for the Council to strengthen its project management toolkit to help promote and embed consideration from the early stages of a project.

There is effective corporate support to help service areas apply the sustainable development principle, but there is an opportunity for the Council to strengthen its learning and development offer

8 In reaching this conclusion we found that:

- the Council provides a range of corporate support to service areas to help them apply the sustainable development principle. This support includes:
 - corporate performance partners are allocated to service areas to provide support and challenge to services, for example on service planning and self-assessments. From our interviews, it is clear that the corporate performance partners' support is well regarded by staff and that managers feel their challenge is helping service areas to apply the sustainable development principle.
 - there is central support for services that relates to the sustainable development principle. An example is economic trend analysis provided to services. This is a good example of wider horizon scanning and facilitating the use of data. Heads of Service told us that the Council's use of data was helpful to them when planning services.
 - we saw examples of officers from HR, finance and performance attending and supporting directorate meetings, and other strategic meetings such as the Social Services Reshaping Programme Board and the Project Zero Board. This type of support is well regarded by service areas. This cross-council approach to providing support is a good indication of how the Council is working in an integrated way and making the connections between teams and functions.
- the Council provided training for staff on the Act, when the Act was first introduced, but has not provided any training since. In our view, it would be timely for the Council to review its learning and development offer for staff. There would be multiple benefits from this including:
 - it could help refresh and develop knowledge amongst staff, leading to an enhanced understanding of the Act;
 - it reduces the risk of knowledge being lost due to staff turnover;
 - it could ensure new starters understand the Council's expectations about meeting the requirements of the Act;
 - it could help more senior staff members to strengthen the level of challenge they provide about the application of the sustainable development principle; and

- it would help the Council to maintain the momentum that it is currently showing to embed the application of the sustainable development principle throughout the organisation.

The Council has mechanisms that help it to assess whether service areas are effectively applying the sustainable development principle and is applying learning to strengthen its arrangements

9 In reaching this conclusion we found that:

- the Council has a range of arrangements that enable it to assure itself that services are effectively applying the sustainable development principle. These include:
 - the aforementioned challenge provided by corporate performance partners on service planning and Directorate self-assessments.
 - directorate self-assessments are also challenged via a peer review process involving another Director, the Chief Executive, Cabinet members and scrutiny chairs. The Council is using the first iteration of the Directorate self-assessment process to inform service planning going forward. This includes identifying improvement areas that relate to the application of the sustainable development principle.
 - project board meetings – at the Project Zero Board meeting we observed we could see challenge and discussion about the application of the sustainable development principle.
 - six weekly wider Senior Leadership Team meetings that include Heads of Service. These meetings are intended to develop a culture of sharing reports and issues to help facilitate cross-Directorate discussion and challenge.
 - it was evident from our work that the Council’s leadership was clearly underlining the need to learn from our concerns about the leisure contract. The Council has shared learning from the leisure contract renewal across the organisation to both officers and members.
 - the Chief Executive was clear that the application of the sustainable development principle is the way that staff are expected to work. The accountability mechanisms to facilitate this include one-to-one meetings and Departmental Management Team meetings.
 - during our fieldwork, we observed positive discussions on the Council’s draft procurement strategy and the application of the sustainable development principle. For example, the Council was considering the wider impact of the procurement process on its carbon footprint and the circular economy.

- the Council is planning to renew its approach to its transformation agenda. This provides it with an opportunity both to ensure that the sustainable development principle is driving its approach, and to assure itself that it is being applied as intended.



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Organisational response

Report title: The application of the sustainable development principle in service areas – Vale of Glamorgan Council

Completion date:

Document reference: 3442A2023

Ref	Recommendation	Organisational response Please set out here relevant commentary on the planned actions in response to the recommendations	Completion date Please set out by when the planned actions will be complete	Responsible officer (title)
R1	The Council should develop its project management toolkit to ensure that those documents help officers to apply the sustainable development principle from the outset.	Undertake a review of the Council's project management toolkit with the development of revised tools and guidance to support officers in application of the SD principle.	March 2024	Tom Bowring
R2	The Council should develop its learning and development offer to help to ensure that staff across the organisation understand the Well-being of Future Generations Act (Wales) 2015 and are able to apply the sustainable development principle as needed in their roles.	Undertake a programme of communications and information provision throughout the year as part of the learning and development offer to further embed the sustainable development principle including, through the Annual Self-Assessment process, staff appraisal and promoting the Council's work on the Annual Delivery Plan.	March 2024	Tom Bowring