

Meeting of:	Corporate Performance and Resources Scrutiny Committee
Date of Meeting:	Wednesday, 18 November 2020
Relevant Scrutiny Committee:	All Scrutiny Committees and Cabinet
Report Title:	Audit Wales: Reshaping Services Programme Review - Vale of Glamorgan
Purpose of Report:	To advise Members of the findings of the Auditor General for Wales' examination of the Vale of Glamorgan's Reshaping Services programme alongside the Council's response to its findings.
Report Owner:	Rob Thomas, Managing Director
Responsible Officer:	Rob Thomas, Managing Director
Elected Member and Officer Consultation:	Regulatory reports apply to the whole authority. Progress in relation to areas for improvement arising from the Annual Regulatory Plan is reported to relevant Scrutiny Committees, Cabinet and Audit Committee for final oversight. The Insight Board's Tracker monitors progress on all regulatory recommendations/proposals for improvement on a monthly basis and reports to Corporate Management Team.
Policy Framework:	This is a matter for Executive decision by Cabinet.
Executive Summary:	<ul style="list-style-type: none"> • The Audit Wales review focused on the effectiveness of the Council's arrangements to deliver its Reshaping Service Programme. • Overall, the report findings were generally positive and concluded that that the Council's Reshaping Services Programme is effectively managed and has helped deliver savings, but there is now an opportunity to refocus the programme and strengthen workforce planning to support its delivery. • The key findings from the review were as follows: • The Council has made progress in meeting the objectives of its Reshaping Services Programme; however, there has been a conflation of transformation and savings, and there is more work to do to progress the third objective of the programme, around partnership working; • The Council has effective arrangements in place to govern and manage the programme, but there is scope to now refine these to support the changing direction of the programme;

- There is an opportunity to strengthen workforce planning to support the delivery of the Reshaping Services programme, although the support from Human Resources for individual projects was valued;
- The Council recognises the Reshaping Services Programme now needs repurposing to focus on transformation.
- The report identifies five Proposals for Improvement:
- **P1:** The Council should consider what more it can do to work with partner organisations in order to help deliver the partnership objective of the Reshaping Services Programme.
- **P2:** As the Council intends for the Reshaping Services Programme to move away from being primarily associated with savings, it should review the criteria used to determine which projects are included, and the measures used to monitor the progress of projects.
- **P3:** The Council should identify further training and support to help staff develop the skills necessary to respond to transformational change.
- **P4:** The Council should ensure that its forthcoming workforce plan supports the delivery of the Reshaping Services Programme and there is robust identification and consideration of workforce needs in project documentation.
- **P5:** If there is to be a focus on more genuinely transformational projects, the Council should ensure lessons are learned from earlier projects and put in place mechanisms to strengthen any identified areas of weakness.
- In response to the report findings, the Head of Policy & Business Transformation has developed an action plan which will now be progressed by the Council.
- Scrutiny Committee members are being asked to consider the content of the report including the Council's response (in the form of the action plan) with any recommendations /comments being referred to Audit Committee and thereafter, onto Cabinet for their consideration and endorsement of the proposed actions to address the proposals for improvement.

Recommendations

1. That the Scrutiny Committee (Corporate Performance & Resources) consider the key findings arising from Audit Wales' review of the effectiveness the Council's arrangements to deliver its Reshaping Services Programme (**Appendix A**) and the Council's response to the review and Audit Wales' proposals for improvement (**Appendix B**).
2. That, subject to recommendation one, this report be referred to Audit Committee and thereon to Cabinet for endorsement of the proposed actions to address the proposals for improvement.

Reasons for Recommendations

1. To provide for scrutiny and review of the findings of Audit Wales' review of the Council's Reshaping Services Programme and the Council's response.
2. To ensure the Council responds appropriately and implements areas of improvement as identified by Audit Wales.

1. Background

- 1.1 In line with the Council's Regulatory Plan for 2019, the Audit Wales undertook a review of the Council's Reshaping Services Programme. The review, which took place during the period December 2019 to February 2020, examined the Council's arrangements to deliver its service transformation programme 'Reshaping services' to meet the future needs of citizens of the Vale of Glamorgan within the context of unprecedented financial challenges.
- 1.2 The Reshaping Services programme has three objectives. These are:
 - to identify alternative ways of delivering services which provide better outcomes for citizens and/or more efficient means of delivery;
 - to meet the future financial challenges while mitigating the impact of cuts on service users; and
 - to develop the Council and its partners to ensure they are able to meet future challenges.
- 1.3 The Council has identified projects in different tranches: some projects have been completed but there are a range of ongoing projects recognising the medium-term nature of the programme.

2. Key Issues for Consideration

- 2.1 **Appendix A** contains the Audit Wales report outlining the key findings of the review of the Council's arrangements to deliver its Reshaping services Programme.
- 2.2 The review concluded that the Council's Reshaping Services Programme is effectively managed and has helped deliver savings, but there is now an opportunity to refocus the programme and strengthen workforce planning to

support its delivery. Audit Wales have reached this conclusion based on the following:

- the Council has made progress in meeting the objectives of its Reshaping Services Programme; however, there has been a conflation of transformation and savings, and there is more work to do to progress the third objective around partnership working;
- the Council has effective arrangements in place to govern and manage the programme, but there is scope to now refine these to support the changing direction of the programme;
- there is an opportunity to strengthen workforce planning, although the support from Human Resources for individual projects is valued; and
- the Council recognises the Reshaping Services Programme now needs repurposing to focus on transformation.

2.3 The report identifies five Proposals for Improvement:

- **P1:** The Council should consider what more it can do to work with partner organisations in order to help deliver the partnership objective of the Reshaping Services Programme.
- **P2:** As the Council intends for the Reshaping Services Programme to move away from being primarily associated with savings, it should review the criteria used to determine which projects are included, and the measures used to monitor the progress of projects.
- **P3:** The Council should identify further training and support to help staff develop the skills necessary to respond to transformational change.
- **P4:** The Council should ensure that its forthcoming workforce plan supports the delivery of the Reshaping Services Programme and there is robust identification and consideration of workforce needs in project documentation.
- **P5:** If there is to be a focus on more genuinely transformational projects, the Council should ensure lessons are learned from earlier projects and put in place mechanisms to strengthen any identified areas of weakness.

2.4 In response to the report findings the Head of Policy & Business Transformation has developed an action plan (**Appendix B**) which will now be progressed by the Council.

2.5 The action plan has been developed at a time when consideration is being given to the development of the next phase of the Council's transformational change programme. This consideration is taking place whilst the Recovery Strategy associated with coronavirus is being developed which identifies a series of strategic recovery priorities to reflect the changes delivered in the past six months, alongside those actions that will be taken in the coming months and years. Several of these have significant transformational potential and could form the basis for the programme. As these issues, proposals for the coming year's revenue budget and Annual Delivery Plan progress, the next phase of the transformational change programme will be developed and proposals reported to Cabinet in due course.

- 2.6** In line with the Council's performance monitoring arrangements, the key areas for improvement identified will be incorporated within the Insight Board's Tracker, which monitors progress monthly. Members of this Committee will continue to be informed of progress against all regulatory improvement areas via the Council's performance monitoring arrangements which will be supplemented with the annual review of regulatory progress, which will be reported to Scrutiny Committees prior to reporting to the Audit Committee for final oversight.
- 2.7** It is recommended that the Scrutiny Committee considers the content of the report including the Council's response (in the form of the action plan). The Auditors who undertook this assessment will be in attendance at Committee and will be available to respond to Members' questions. Thereafter, it is recommended that committee refers this report to Audit Committee and then onto Cabinet for their consideration incorporating any recommendations/ comments of the Scrutiny Committee and that of the Audit Committee.

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** The areas of improvement identified by our external regulator and the associated action plan produced by officers has been developed with the five ways of working mind. The focus of these 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. These improvement actions also focus on preventative actions that will enable us to sustain and future proof our services into the longer term.

4. Resources and Legal Considerations

Financial

- 4.1** There are no additional budgetary implications arising from this report, although poor performance against the improvement areas as outlined in the Audit Wales'

report could have a negative impact on any future external regulatory assessments of the Council which could in turn put funding opportunities at risk.

Employment

- 4.2** The report contains proposals relating to workforce planning and skills development to support effective transformational change. The action plan sets out how the Council will respond to these issues. There are also a number of issues contained within the report that if not effectively managed have the potential to impact on our staff establishment and performance overall. This may in turn impact adversely on delivery of environmental health services and achievement of key outcomes associated with the Corporate Plan.

Legal (Including Equalities)

- 4.3** The Local Government (Wales) Measure 2009 requires that the Council secure continuous improvement across the full range of local services for which it is responsible.
- 4.4** The Well-being of Future Generations (Wales) Act 2015 requires the Council to set and publish annual Well-being Objectives that maximise its contribution to achieving the Well-being goals for Wales and report its progress in meeting these.
- 4.5** 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 wellbeing objectives and taking steps to meet them.

5. Background Papers

None

Reshaping Services Programme review – **Vale of Glamorgan Council**

Audit year: 2019-20

Date issued: August 2020

Document reference: 1905A2020-21

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Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

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Summary report

Summary

What we reviewed and why

- 1 The Vale of Glamorgan Council's (the Council) Cabinet approved the Reshaping Services strategy in November 2014. The aim of the strategy was 'to reshape the Council to enable it to meet the future needs of citizens of the Vale of Glamorgan within the context of unprecedented financial challenges'¹.
- 2 The Reshaping Services programme has three objectives. These are:
 - to identify alternative ways of delivering services which provide better outcomes for citizens and/or more efficient means of delivery;
 - to meet the future financial challenges while mitigating the impact of cuts on service users; and
 - to develop the Council and its partners to ensure they are able to meet future challenges.
- 3 The Council has identified projects in different tranches: some projects have been completed but there are a range of ongoing projects recognising the medium-term nature of the programme.
- 4 We undertook the review during the period December 2019 to February 2020.

What we found

- 5 Our review sought to answer the question: Does the Council have effective arrangements in place to deliver its Reshaping Services Programme?
- 6 Overall, we found that the Council's Reshaping Services Programme is effectively managed and has helped deliver savings, but there is now an opportunity to refocus the programme and strengthen workforce planning to support its delivery. We reached this conclusion because:
 - the Council has made progress in meeting the objectives of its Reshaping Services Programme; however, there has been a conflation of transformation and savings, and there is more work to do to progress the third objective around partnership working;
 - the Council has effective arrangements in place to govern and manage the programme, but there is scope to now refine these to support the changing direction of the programme;
 - there is an opportunity to strengthen workforce planning, although the support from Human Resources for individual projects is valued; and

¹ Vale of Glamorgan Council, Reshaping Services Strategy, November 2014

- the Council recognises the Reshaping Services Programme now needs repurposing to focus on transformation.

Proposals for Improvement

Exhibit 1: the table below sets out the proposals for improvement that we have identified following this review.

Proposals for Improvement	
P1	The Council should consider what more it can do to work with partner organisations in order to help deliver the partnership objective of the Reshaping Services Programme.
P2	As the Council intends for the Reshaping Services Programme to move away from being primarily associated with savings, it should review the criteria used to determine which projects are included, and the measures used to monitor the progress of projects.
P3	The Council should identify further training and support to help staff develop the skills necessary to respond to transformational change.
P4	The Council should ensure that its forthcoming workforce plan supports the delivery of the Reshaping Services Programme and there is robust identification and consideration of workforce needs in project documentation.
P5	If there is to be a focus on more genuinely transformational projects, the Council should ensure lessons are learned from earlier projects and put in place mechanisms to strengthen any identified areas of weakness.

Detailed report

The Council's Reshaping Services Programme is effectively managed and has helped deliver savings, but there is now an opportunity to refocus the programme and strengthen workforce planning to support its delivery

The Council has made progress in meeting the objectives of its Reshaping Services Programme; however, there has been a conflation of transformation and savings, and there is more to do to progress the third objective around partnership working

- 7 We reached this conclusion because:
- the Council was able to give several examples of services that had been reshaped through the programme:
 - community libraries;
 - setting up a commercial catering company;
 - remodelling Neighbourhood Services; and
 - changing day services provision in Adult Services.
 - although not all Reshaping Services Programme projects have met their savings targets, overall, the Council has made significant savings as a result of the programme. The Council's 2018-19 annual report sets out that the Council achieved 82% of the 2018-19 Reshaping Services Programme savings target of £6.298 million.
 - some of the savings have been achieved through remodelling the workforce, but despite that there is evidence that the programme has had a largely positive impact on the culture of the organisation, particularly in terms of encouraging staff to think innovatively.
 - the Council recognises that the programme to date has been mainly focused on projects internal to the Council, so there is more to do to develop partners in line with the third objective of the programme.
 - there are some examples of the Council working with community groups or Town and Community Councils, but the majority of these initiatives are focused on asset or service transfer, as opposed to being genuinely transformational.
 - given that one of the objectives of the programme was about partnership working, the Council may wish to consider how it can develop a medium to long-term approach to developing relationships with a range of partners. The Council works with a diverse range of organisations with differing levels of

resource and capacity. Our review found that existing engagement methods may not be sufficient to allow the Council to realise its aspiration of developing partners to help meet future challenges.

- the Council told us that they want to shift the focus of the programme away from savings to transforming services. At present, there are some projects included in the programme that will make savings but are not transformational. There is also work going on in the Council that could be considered transformational but is not included in the programme because there are no savings associated with it. For example, the Council is developing community mapping, where officers engage with a specific geographical area and map what services and facilities they have and what they are lacking. This information helps the Council determine how best to spend section 106² or Strong Communities grant monies.

The Council has effective arrangements in place to govern and manage the programme, but there is scope to now refine these to support the changing direction of the programme

8 We reached this conclusion because:

- the Reshaping Services Programme Board regularly receives 'all projects summary highlight' update reports setting out the progress that is being made with each project, along with more detailed reports on specific projects. Reports are also provided to Cabinet and Scrutiny Committees.
- interviewees consistently told us that they were happy with the quality and quantity of the information they receive in respect of the Reshaping Services Programme. The Business Improvement Team, which provides central corporate assistance to Reshaping Services projects, is well regarded by members and officers.
- South West Audit Partnership (SWAP) was commissioned by the Council to conduct an internal audit evaluation of the Reshaping Services Programme in April 2019. SWAP looked at four specific projects within the Reshaping Services Programme. Although SWAP found some minor governance issues, for example, certain role changes not being reflected in the all-project summary reports, overall SWAP found that the project management and governance arrangements were in line with the Reshaping Services Programme requirements.
- our review also found that the criteria for including a project in the programme are not always clear, leading to the inclusion of projects that are

² Section 106 monies refers to planning obligations – agreements made between local authorities and developers.

based on making savings rather than being truly transformative. The Council would benefit from reviewing the criteria it uses to determine which projects are included, particularly as it shifts its focus from savings to transformation.

- currently, progress reports contain a red/amber/green (RAG) status for each project that reflects whether or not it has achieved the intended savings. If the Council wishes to reduce the association between the programme and making savings, it will need to reconsider how it monitors individual projects, with less focus on savings as the key measure of success or failure.

There is an opportunity to strengthen workforce planning to support the delivery of the Reshaping Services programme, although the support from Human Resources for individual projects was valued

9 We reached this conclusion because:

- the Council does not currently have a Human Resources (HR) strategy and its workforce plan is due to be replaced in 2020. The Council had a period without a Head of HR, but that position has now been filled and we gather both a new HR strategy and a new workforce plan are currently being worked on.
- staff we spoke to felt well supported by HR in their Reshaping Services projects.
- there is an opportunity to strengthen HR involvement in the programme at a more strategic level, for example, in terms of modelling what the Council's future workforce might need to look like. The Council has a clear profile of its current workforce, but recognises it needs to develop its use of data to further develop its understanding of its future workforce needs.
- the current workforce plan recognises that the Reshaping Services Programme will generate additional training and development needs. There has been some training, such as the commercial awareness training that was rolled out as part of the catering services project. However, further training and support are necessary to help staff develop the skills necessary to respond to transformational change.
- the Council should consider how its new workforce plan can support and inform the delivery of its Reshaping Services Programme. In doing so, the Council should ensure that workforce needs are robustly identified and considered in project initiation documents and project reports.

The Council recognises the Reshaping Services Programme now needs repurposing to focus on transformation

10 We reached this conclusion because:

- members and senior officers have reflected on the programme and concluded that they should shift their efforts towards an increased focus on transformation and partnership working, with less focus on savings.
- it is positive that the Council's Internal Audit service has completed reviews of aspects of the Reshaping Services Programme. For their April 2019 review, SWAP reviewed a sample of projects within the programme. Overall, the report found a 'reasonable' level of assurance, with some examples of good practice, such as the communications relating to the catering and Neighbourhood Services projects. SWAP also noted that there was no formal requirement to conduct and record a 'lessons learned' review upon the conclusion of the Catering Service project. SWAP's view was that in not doing this, the Council may be missing opportunities to share and capitalise on its learning to date.
- Internal Audit reported on the new catering company in October 2019 and gave an opinion of limited assurance. A follow-up report in January 2020 found that the response to their earlier recommendations had been slow, so an opinion of limited assurance was given again. Although the catering company was cited as a good example of a transformative project, the Internal Audit report makes it clear that there are certain fundamental issues that needed to be resolved, such as the lack of contracts or formal agreements between the Council and the catering company for support services such as finance, ICT and payroll. Given the proposals to create the company were approved in April 2017, it would be reasonable to expect such matters to have been decided before the company began trading in January 2020. The Council should learn from its alternative delivery projects and put in place more robust arrangements for future transformational projects.
- the projects that were most often mentioned to us as being successful and transformational tended to be associated with the earlier tranches of the programme. Later tranches tended to have a corporate rather than service specific focus and there was a perception that they had been less impactful. Some interviewees told us that they felt the programme had lost some momentum in later tranches.
- the Council recognises that it needs to reflect on progress that the programme has made to date and consider the way forward. It has a new Corporate Plan 2020-25 and is revising its performance management arrangements. This, together with the more positive 2020-21 financial

settlement, provides the Council with an opportunity to refocus the programme.



Audit Wales
24 Cathedral Road
Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: info@audit.wales

Website: www.audit.wales

We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Appendix B

Reshaping Services Programme Review – Action Plan

Ref	Proposal for Improvement (Audit Wales)	Action (Council)	Responsible	Due Date
P1	The Council should consider what more it can do to work with partner organisations in order to help deliver the partnership objective of the Reshaping Services Programme.	1 – Review the Reshaping Services Programme in light of the feedback from Audit Wales, lessons learnt from the pandemic and identify a set of medium-term transformational change projects to support the Council’s Corporate Plan.	RT	03/21
		2 – Engage with Third Sector partners (GVS), Public Services Board and Town & Community Councils in the development of the next set of transformational change projects.	TB	03/21
P2	As the Council intends for the Reshaping Services Programme to move away from being primarily associated with savings, it should review the criteria used to determine which projects are included, and the measures used to monitor the progress of projects.	1 – Review the Reshaping Services Programme in light of the feedback from Audit Wales, lessons learnt from the pandemic and identify a set of medium-term transformational change projects to support the Council’s Corporate Plan.	RT	03/21
		4 – Once projects are agreed, develop monitoring arrangements which demonstrate the progress being made to achieve them.	TB	04/21
P3	The Council should identify further training and support to help staff develop the skills necessary to respond to transformational change.	5 – Identify training and support opportunities for staff to develop skills necessary to respond to transformational change as part of the planning for the next phase of Reshaping Services, using existing mechanisms such as the Management Development Programme and exploring others.	TD	04/21
P4	The Council should ensure that its forthcoming workforce plan supports the delivery of the Reshaping Services Programme and there is robust identification and consideration of workforce needs in project documentation.	6 – Produce a new Workforce Plan to support the delivery of future transformational change.	TD	03/21
		7 – Ensure documentation reflects the workforce plan and specific project workforce needs.	TD/TB	04/21

Appendix B

P5	If there is to be a focus on more genuinely transformational projects, the Council should ensure lessons are learned from earlier projects and put in place mechanisms to strengthen any identified areas of weakness.	8 – In developing the next phase of the transformational change programme, undertake a ‘lessons learnt’ exercise with the Reshaping Services Programme Board to identify learning from earlier projects and identify actions to strengthen any potential future weaknesses as part of the approach to monitoring projects’ delivery.	Reshaping Services Programme Board	
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