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Review of the Council's Transformation Programme's (T22) governance arrangements – **Torfaen County Borough Council**

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This document is also available in Welsh

The team who delivered the work comprised Gareth Jones and Allison Rees, programme managed by Non Jenkins under the direction of Huw Rees.

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Summary report

Summary

What we reviewed and why

- 1 In early 2018, Torfaen County Borough Council (the Council) introduced its T22 Programme, described by the Council as a hugely significant whole organisation change (transformation) programme¹.
- 2 The Council's initial T22 programme consisted of five interconnected strategic programmes:
 - Building a New Identity
 - Making Better Use of Resources
 - Customer and Digital
 - Demand Management/Early Intervention
 - Organisational Change
- 3 The Council appointed a new T22 Programme Director in November 2018. It subsequently streamlined the focus of the T22 Programme to the following priority areas:
 - Enabling Transformation
 - Customer & Digital
 - Children's Services
 - Support services
- 4 In scoping our review, the Council informed us that:
 - it has introduced revised governance arrangements for the programme based on the Managing Successful Programmes[®] methodology. Each of the four priority areas which make up the Programme has a Board chaired by one of the Council's senior leadership officers. These officers act as the 'Project Sponsor'. The T22 Programme Board then oversees the whole Programme and is responsible for setting the overall direction for the delivery of the Programme and supporting the programme director in decision making. The Cabinet is now the sponsoring body for the Programme.
 - the Enabling Transformation programme of work will focus on securing the capability, capacity and culture required to successfully transform and may include a focus on vision, values, future operating model and workforce development.
 - it considers the T22 Programme to be a significant, but not the sole, contributor to help it address its financial challenges as set out in its new Medium Term Finance and Service Plan; and

¹ [Torfaen County Borough Council Cabinet Meeting 16 January 2018 \(Agenda Item 6\)](#)

- it will keep the above four priorities under review and the T22 Programme may also include other priorities in the future.
- 5 We undertook this review during April and May 2019.

What we found

- 6 Our review sought to answer the question: **Do the Council's governance arrangements for the T22 Programme efficiently and effectively support the delivery of the Council's Corporate Plan?**
- 7 Overall we found that: **Improved governance arrangements as well as clear commitment and energy support a renewed T22 Programme, although some checks and balances need strengthening.** We reached this conclusion because:
- the Council's priorities for transformation are clear and align with its corporate and medium-term financial plans, and this can become stronger as it agrees its future operating model;
 - the Council has strengthened the governance arrangements for the renewed (Phase 2) T22 Programme and generally understands roles and responsibilities, but it needs to clarify Scrutiny's involvement and the Head of Procurement's and Monitoring Officer's roles;
 - the Council's senior leaders have provided considerable commitment and energy to refocus the Programme in the past six months, and have identified it needs greater programme management capacity; and
 - the Council has not fully developed its approach to evaluating the effectiveness of its T22 governance arrangements.

Proposal for improvement

Exhibit 1: proposal for improvement

The table below sets out the proposal for improvement that we have identified following this review.

Proposal for improvement	
P1	<p>To strengthen the T22 Programme governance arrangements by:</p> <ul style="list-style-type: none">• clarifying the involvement of:<ul style="list-style-type: none">– Scrutiny– Procurement– Legal advice/Monitoring Officer• strengthening shared understanding between the Programme Board and Cabinet (the Sponsoring) Group on timescales for key T22 Programme decisions; and• establishing a robust approach to reviewing and evaluating the effectiveness of the Programme's governance arrangements.

Detailed report

Improved governance arrangements as well as clear commitment and energy support a renewed T22 Programme although some checks and balances need strengthening

The Council's priorities for transformation are clear and align with its corporate and medium-term financial plans, and this can become stronger as it agrees its future operating model

- 8 The Cabinet has set a clear direction for the Council with three corporate priorities: A clean and green Torfaen; raising educational attainment; and support for Torfaen's most vulnerable residents.
- 9 In late 2018, following the appointment of a new T22 Programme Director, the Council reviewed the T22 Programme priorities set in early 2018. It reduced the number of priorities to three: Children's Services, Customer and Digital and Support Services. A fourth priority – 'Enable Transformation' - supports the scoping and delivery of the T22 Programme.
- 10 The revised T22 priorities align directly to two of the Council's corporate priorities. However, as £11 million of the Council's £19.5 million savings in the medium-term financial plan relate to education services, Council officers anticipate that a future T22 priority relating to education services will emerge. This will align with the third corporate priority of raising educational attainment.
- 11 The T22 Programme Board identified the need for clarity around the Council's future operating model. It commissioned an external consultancy to help draw together this model in April 2019.
- 12 At the time of our fieldwork, it was not clear whether the Cabinet and the T22 Programme Board were working to the same timescales for reporting and deciding on the Council's future operating model.
- 13 The Project Boards established to lead the development of business cases for change under each of the T22 priority areas are currently in their scoping phase. Each of the Project Boards has a Project Sponsor who told us that the lack of an agreed future operating model is not hindering progress at this stage. The Council wants to continue to push the renewed pace and does not want to delay discussions on progressing the scope of the T22 projects while waiting for an approved future operating model. However, Project Sponsors recognise that a future operating model must be in place before Cabinet considers any business cases.

- 14 There was a shared understanding amongst all interviewees that whilst the renewed T22 Programme outcomes will contribute to addressing the Council's Medium Term Financial Plan, it is not expected to fully address the Council's financial pressures.
- 15 Project Sponsors did not have a shared understanding of the timescales for developing final business cases for approval. This may indicate that the Programme is not yet working back from key milestones but rather it is working towards decision making points which are not yet time bound.
- 16 Enabling Transformation is a fourth cross-cutting T22 Project Board across the other three T22 priorities. This Project Board has an oversight remit in ensuring the other three Project Boards are:
 - a. achieving goals and actions;
 - b. considering different approaches to transformation from outside the Council;
 - c. ensuring T22 is genuinely embedded within the Council; and
 - d. ensuring that there are enough resources to enable the Council to transform.
- 17 Therefore, the Enabling Transformation project board is critical in providing advice and guidance, monitoring progress and ensuring good pace in delivering the Programme. At this stage of the renewed T22 Programme, it is too early to gain assurance that the Enabling Transformation Board is delivering against its oversight role.

The Council has strengthened the governance arrangements for the renewed (Phase 2) T22 Programme and generally understands roles and responsibilities, but it needs to clarify Scrutiny's involvement and the Head of Procurement's and Monitoring Officer's roles

- 18 The renewed (Phase 2) T22 governance arrangements and frequency of meetings are driving an increase in pace, ownership of and accountability for the delivery of the Programme.
- 19 On 9 April 2019, Cabinet approved a report on the Phase 2 of the T22 Programme 2019-20 to 2022-23. This report contained the new governance structure and roles and responsibilities of the Programme's related governance groups. However, the report does not refer to the role of the Monitoring Officer within these arrangements and, following our fieldwork for this review, the Monitoring Officer's role in the T22 Programme remains unclear.
- 20 There is clear structure to the new governance arrangements. Individual Project Boards meet prior to the overarching Programme Board which is chaired by the Chief Executive, as the overall Programme sponsor. As a result of the revised structure, the Council's senior officers now have a more direct involvement as all are members of the T22 Programme Board and all (apart from one) are T22

Project Sponsors. Project Sponsors chair their respective Project Boards and provide progress reports at Programme Board meetings.

- 21 T22 Project Sponsors are clear as to the purpose of their role, the role of their Project Boards as well as their role when attending the T22 Programme Board.
- 22 The minutes of the T22 Programme Board and Project Boards demonstrate that Project Sponsors provide succinct progress reports for discussion. The Programme Board agrees the next steps with clear decisions recorded alongside specific actions allocated to Project Sponsors. The Programme Board also actively considers Programme risks.
- 23 The Programme Board and Project Sponsors have delegated decision making responsibilities for operational issues relating to the Programme. In the spring of 2019, the Programme Board made decisions relating to the procurement of additional expertise to support specific activities within the Programme, including the future operating model and the revised approach to children's services. During our fieldwork we were aware that the proposed procurement of the revised approach to children's services had not been discussed with the Head of Procurement prior to the Programme Board taking its decision in May 2019. Included in the proposal was the total cost for the project, but not a detailed breakdown of costs. The Board needs to ensure that obtaining procurement advice takes place prior to taking decisions and the Council should clarify the role of Head of Procurement in relation to its T22 Programme.
- 24 There is greater elected member involvement in Phase 2 compared to Phase 1 of the T22 Programme. The Policy Development Forum consisting of Cabinet and the Council's senior officers discussed the evolving T22 Programme in early 2019. In March 2019, there was a full Council members' seminar to share information about the development of the renewed T22 Programme. At the time of our fieldwork, scrutiny has had limited involvement in both Phase 1 and Phase 2 of the T22 Programme. However, we understand that scrutiny's role in the T22 Programme will be explored with the Chair of the Cross-cutting scrutiny committee. Interviewees recognised that scrutiny's future involvement in the governance arrangements needs clearly defining.
- 25 Cabinet now has a more active role in the T22 Programme as the Sponsoring Group and has a greater focus and commitment. The Cabinet is clearly responsible and more accountable for key strategic decisions relating to the Programme.
- 26 The distribution of the Programme Board meeting papers for 13 May 2019 took place on the morning of the meeting. This is not good practice as it may not allow the Board members enough time to read the papers prior to the meeting.

The Council's senior leaders have provided considerable commitment and energy to refocus the Programme in the past six months, and have identified it needs greater programme management capacity

- 27 Having senior officers as T22 Project Sponsors now supports greater ownership and accountability of the development and delivery of T22 priorities. All the Council's senior officers have an active role in delivering and leading on T22. Each senior officer has clearly demonstrated a strong commitment to the T22 Programme and acknowledged that transformation is a key part of their corporate role in addition to their existing service area responsibilities.
- 28 A lot of senior officer time is currently committed to scoping and delivering the work of the four Project Boards to collectively deliver the T22 Programme.
- 29 In addition to the senior officer time commitment, each Project Board contains managers to work with the senior officers to develop the business cases for the projects.
- 30 Cabinet, as the Sponsoring Group, agreed to allocate the annual £500,000 early intervention and prevention fund to assist in resourcing the development and delivery of the T22 Programme.
- 31 The Programme Board has identified that a key risk to the successful realisation of the Programme is a lack of capacity to programme manage the projects across the Programme. To address this, the Programme Board has agreed to use some of the funding allocated by Cabinet and, in April 2019, the Board agreed to commission consultants to help develop its future operating model. The Board further agreed in principle, at its May 2019 meeting, to strengthen the T22 Programme delivery team by recruiting two Project and Change Managers. The Board, however, requested further research to develop a more detailed proposal for consideration at the June 2019 T22 Programme Board meeting to enable a formal decision to be taken.

The Council has not fully developed its approach to evaluating the effectiveness of its T22 governance arrangements

- 32 The revised governance arrangements for the T22 Programme now provide the Council with greater oversight of its transformation programme. For the Council to have assurance that these arrangements are effective and fit for purpose, regular evaluations are critical to the Programme's success.
- 33 The T22 Enabling Transformation Project Board, under the leadership and governance workstream, has the lead role to ensure there is an independent assurance of the governance arrangements. This assurance approach has not yet been developed and the Project Board needs to define what independent assurance will mean and how this will be achieved.

- 34 Undertaking robust governance reviews and evaluations will give the Council assurance whether all the 'checks and balances' are considered and applied consistently and if they are effective. For example, by:
- checking that procurement advice is available at the right time of project development;
 - ensuring the Monitoring Officer has clear oversight of business cases and can have input at the right time; and
 - allowing scrutiny to have an active role in scrutinising and challenging T22 proposals and progress at the right time.

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