



WALES **AUDIT** OFFICE
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Vale of Glamorgan Council

Report by the Auditor General for Wales

Preliminary Corporate Assessment – September 2010



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Image courtesy of Vale of Glamorgan Council.

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Strong leadership and management are contributing to improvements in key areas but the strategic vision is not yet supported by delivery plans that reflect new resource constraints.

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Summary

- 1 The Auditor General is required by the Local Government (Wales) Measure (2009) to undertake an annual Improvement Assessment for each improvement authority in Wales; that is local councils, national parks, and fire and rescue authorities.
- 2 In order to fulfil this requirement, the Wales Audit Office will undertake:
 - a Corporate Assessment – an assessment of an authority’s arrangements to secure continuous improvement; and
 - a Performance Assessment – an assessment of whether an authority has achieved its planned improvements.
- 3 The approach is designed to enable a whole organisation assessment at each council to be undertaken in a standardised way. Taken together, these two assessments will form the basis of an annual report to citizens, known as the Annual Improvement Report.
- 4 The Auditor General has brought together her work, that of the Appointed Auditor, and that of other relevant regulators, to inform the Corporate Assessment. As this is the first year of a new approach, the assessment is a preliminary one and this report should be viewed as a progress report. The Annual Improvement Report will also serve as an update for the Corporate Assessment.
- 5 In March 2010, the Auditor General identified the scale of the financial challenge facing public services in Wales in a report to the National Assembly, *A Picture of Public Services*. The potential impact of spending reductions on local government has also been highlighted by the WLGA, CIPFA and SOLACE. In evidence to the National Assembly for Wales Public Accounts Committee in June 2010, the WLGA noted, ‘there is no escaping the fact that all parts of the public sector will have to examine current expenditure and service provision – the shortfall cannot be solved by efficiencies alone’. To meet this challenge, local authorities must fundamentally review the services they provide and how they are delivered, including considering options for increasing procuring rather than providing services and working in collaboration. It is in this context that the Corporate Assessment has been prepared.
- 6 This report sets out the findings of the Corporate Assessment only and is designed to answer the question:

‘Are the Vale of Glamorgan Council’s (the Council) arrangements likely to secure continuous improvement?’
- 7 As this is our Preliminary Corporate Assessment, there are several areas where only limited work has been possible. We will continue to build on this and monitor progress in coming months to provide an update in our Annual Improvement Report to be issued in November.



- 8 The conclusion arising from our first Corporate Assessment is that strong leadership and management are contributing to improvements in key areas but the strategic vision is not yet reflected in delivery plans that reflect new resource constraints.
- 9 We based our conclusion on our assessment of the Council's progress over time and an analysis of the strengths and weaknesses of its arrangements to support improvement. These conclusions are explained in detail in Part 1 and Part 2 of the report respectively. We found that:
- the Council has improved outcomes in key areas and is effectively managing its OneVale transformation programme, but facing considerable challenges for the future; and
 - strong leadership, governance and business management processes are driving necessary change but the Council's vision is not yet supported by delivery plans that reflect new resource constraints.

Areas for improvement

- 10 The assessment has identified areas where we propose the Council considers taking action.

Exhibit 1: Areas for improvement

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| P1 Set clear priorities for action in the context of reduced resource availability. |
| P2 Set outcome measures that enable the Council to identify the impact of its activity for the community and service users. |
| P3 Establish corporate arrangements for the funding, refreshment and development of all ICT. |
| P4 Ensure service business plans incorporate realistic estimates of financial, staff and other resources required to deliver proposed actions. |

Part 1: How the Council has approached improvement over time

The Council has improved outcomes in key areas and is effectively managing its OneVale transformation programme, but faces considerable challenges in the future

The Council has set goals for change, putting customers centre stage, and is using innovative new technologies as part of a 10-year change programme

11 In October 2005, the Cabinet accepted the business case and the Council began implementation of OneVale, a 10-year programme of transformational change. OneVale has a goal of business transformation by means of implementing innovative technologies and processes; creating a culture of collaboration and a focus on customer service; improving the accessibility of services; and reducing core revenue expenditure through greater use of web-based technology and mobile technology and the implementation of new systems to reduce and standardise data, systems and processes.

12 Although there was a change of political leadership in May 2008, there was no change in commitment to OneVale, and there has also been stability of officer leadership by the Chief Executive and the Finance, ICT and Property Director. A programme board was set up to manage OneVale

activity led by the Chief Executive. The board is supervising investment of £14.8 million over a 10-year period, from 2006 to 2016, with the aim of achieving projected savings of £39 million during this time.

13 The Council has sustained its focus on the delivery of OneVale projects, managing constraints in resources available. The OneVale Programme Board meets monthly, receiving updates from seven component projects. The board reviews progress and acts to resolve problems. By improving the use of ICT, the Council is streamlining procedures. The Council has established a simplified way of contacting the Council via a contact centre; put in place processes aimed at improving the ability of centre staff to deal with enquiries on first contact; and developed improved local contact through libraries.

The Council is implementing change and can demonstrate improved outcomes in some key areas of activity

14 In February 2007, a Joint Review of Social Services was published which concluded that the Council was providing 'mainly good services' but that it was 'uncertainly placed to sustain and further improve services'. In response, the Council established a change plan, the delivery of which has been driven by the Cabinet, Scrutiny members, the Chief Executive and a new Social Services management team.



- 15** In the Wales Audit Office Annual Letter, issued in December 2009, the Appointed Auditor issued an unqualified report on the financial statements. The Annual Letter also reported that reviews of services and corporate arrangements indicated that the Council continued to make improvements and that it had recognised the need to strengthen some aspects, particularly in leisure services, partnership working and asset management plans.
- 16** The Council has implemented the majority of actions in its Social Services change plan. The Council has also taken action to address a specific serious case management incident. Both the implementation of the change plan and the response to the case management issue have been subject to scrutiny and a report by CSSIW recognised the positive steps taken by the Council and advocated the need to ensure intended outcomes are realised.
- 17** The Council participated in a pilot inspection by Estyn which reported in May 2010. It judged the education service to be 'good' with 'good' prospects for improvement.
- 18** The Council is using technology effectively as an enabler for service redesign, transforming the way it delivers services, improving business processes and securing financial savings on the Council's running costs. By implementing the Oracle e-business suite, the Council has improved backoffice systems for finance, procurement, Human Resources (HR), payroll and developed procurement processes. In 2006, the Council implemented a contact centre and a single contact number based on the Oracle e-business suite.

The Council faces challenges in ensuring its delivery plans adequately reflect resource reductions and support the progress it has been making in its use of ICT

- 19** The Council has recently produced a new Community Strategy 2010-2020 and Corporate Plan 2010-2014. As a result, service plans produced at the end of 2009 for 2010-11 are not aligned with the new Corporate Plan or the Community Strategy. This is to be addressed in the next round of 2011-12 budget and service plan development which will begin in mid 2010.
- 20** Since April 2010, in response to budget limitations, the Council has reduced staff numbers at senior level and is making changes in backoffice functions whilst wishing to preserve availability of customer-facing services.
- 21** Whilst increasing its dependence on technology to underpin efficient and cost-effective service delivery, the Council has yet to address the need to keep the infrastructure current and maintained. It does not have a programme to maintain and replace its technology infrastructure. Technology maintenance renewal and development is not linked to medium-term financial plans. The Council's approach to funding technology is traditional (funding it as a service asset rather than viewing it as a corporate asset) which may not be the most cost-effective and sustainable approach in the longer term. Technology refreshment and development is funded through revenue budget underspend or capital bids. In recent years, the capital funding allocated for ICT has reduced, and funding is not linked to achievement of specific outcomes.

Further efficiencies could be achieved by treating desktop ICT as a corporate asset funded centrally with a standard refresh policy.

- 22** The Council agreed it's improvement plan in July 2010 which identifies the Council's improvement objectives. We will review and comment upon these in our November Annual Improvement Report.



Part 2: Analysis of the Council's arrangements to help it improve

Strong leadership, governance and business management processes are driving necessary change but the Council's vision is not yet supported by delivery plans that reflect new resource constraints

Strong leadership and well-embedded financial management arrangements support the delivery of improvements

23 The programme of change is being supported by member political consensus about the direction of travel and the stability of officer leadership. Members and senior officers have focused on key activities and are able to point to a track record of successful implementation of change in the OneVale programme and to having tackled particular service-based issues:

- The OneVale programme comprises seven key projects:
 - C1V (Contact Centre)
 - Customer Relations
 - Oracle Payroll
 - Information Management
 - Business Process Re-engineering

- i-Procurement
- Mobile Working

24 Delivery of components of the projects is assigned to senior managers and progress is managed at monthly OneVale Programme Board meetings, chaired by the Chief Executive. The Chief Executive and Finance, ICT and Property Director play a key role in providing overall leadership of the programme and updating budgets.

25 In April 2009, the Appointed Auditor proposed the development of a 'benefits realisation model' for OneVale to enable the Council to evaluate whether programme objectives are being achieved. Managers developed such a model in October 2009 to show financial and non-financial benefits. We will refer to the results demonstrated in this model in our future Performance Assessment work.

26 Medium-term financial planning is based around a high-level document which sets out expected resources, expected costs, the budget gap and the budget strategy. This document is updated on a regular basis and a Budget Task Group, comprising senior officers and members, reviews the budget strategy prior to advising service teams about the financial resources available for annual service plans.

27 A small Business Process Review team works in partnership with Internal Audit and service managers to identify efficiencies across the Council and provide advice on implementation.

28 The Council is able to provide examples of service users having a range of opportunities for expressing their views (including the Cabinet going out into communities). A positive approach to service user engagement was taken in the development of the Disability Equality Scheme, whereby the Council reported on views received and what it intends to do as a result. The OneVale programme has provided opportunities for the public to use local libraries as centres for wider contact with the Council. However, there are some areas where it is less clear how the Council will respond to service user views. For example, it is possible to identify some themes from the 2009 public opinion survey being incorporated as actions into the new Corporate Plan, such as the provision of facilities for young people and actions to tackle crime and antisocial behavior, but proposed action about other areas of concern such as road maintenance, parking and street cleaning is less clear.

Robust corporate performance management arrangements have contributed to success in delivering improvement but current performance measures do not reflect outcomes for service users

29 The Council has systematic, well-embedded performance management arrangements. The Council has developed Ffynnon as its performance management system using the functionality of the system to devolve responsibility for recording and managing service performance information to relevant service managers. Our 2009 audit of the national strategic indicators highlights that the Council has good arrangements in place for the collection and validation of performance information.

30 Performance information is routinely monitored and reported to senior officers and elected members using Ffynnon, and members have access to Ffynnon through their personal computers. Members are fully engaged at Cabinet and Scrutiny level, and the use of Task and Finish Groups and a Performance Panel (which meets prior to Scrutiny Committee meetings) enables closer focus on specific issues and development of strategies for action.

31 Reporting arrangements are against performance indicators or completion of action with limited information about outcomes being achieved for service users. Outcomes arising from the implementation of change are not currently routinely evaluated.

32 A project office was established to manage the OneVale programme, supported by a working group approach to individual projects and a corporate project management methodology. Our initial concerns relating to the lack of clarity about intended benefits, and how they are articulated, have been addressed and work has been undertaken to improve clarity and links between objectives, the corporate vision and benefit realisation.

33 Risks are managed by the Corporate Risk Management Group. We will review the effectiveness of the arrangements and report our findings in the Annual Improvement Report in November.



People management arrangements are largely supporting the implementation of change but the Council is yet to establish a workforce plan to enable it to match staff requirements to future needs

- 34** The Council's HR 'Managing Change' policy has been developed for reference of managers, at all levels. The policy is designed to support the cultural changes required by the implementation of OneVale; initial indications are that the support is assisting managers to make difficult decisions and changes. We propose to further review the effectiveness of the approach when we meet service managers in relation to assessing performance in the coming months.
- 35** Consistent application of the 'Managing Attendance' policy has led to a reduction in the average number of days of sickness across the Council. Analysis of information and provision of clear advice has ensured consistent application, and information about sickness absence is routinely reported for all service areas.
- 36** The HR service intends to have a workforce plan in place for 2011-12. A toolkit and template for workforce planning is in the process of development. The service is currently looking at three to five year demands on the Council and the associated workforce implications, and is working with the WLGA to develop a sustainable model for working out staffing needs. The Council is actively thinking about new ways of working to improve the value gained from the staff currently employed, for example by redeploying leisure catering staff into administration posts.

- 37** In recognising that the effective use of technology is an important aspect of delivering service transformation and efficiencies, the Council is underpinning the OneVale programme with a training programme for all staff based upon the European Computer Driving Licence (ECDL), a European-wide qualification demonstrating competence in computer skills. Two in-house trainers provide free IT training for Council staff funded from the corporate ICT budget. The aim of this is to remove financial barriers to take up with an expected return on investment through reduced ICT support overheads by ensuring staff are able to use technology effectively.

Broad strategic plans are in place but the Council has not yet reflected medium-term financial plans in service plans to define how it will deliver improvement given the resource constraints it now faces

- 38** The Council has a well-embedded, systematic approach to developing service plans with actions linked to delivery of corporate objectives. It can demonstrate a track record of service development (OneVale and the Estyn inspection result) and of dealing with significant issues (in Social Services).
- 39** Both the Corporate Plan and Community Strategy say that: 'Overall the Vale of Glamorgan is comparatively wealthy and many of its residents enjoy a high standard of living in a good quality environment. However, there are areas within the Vale which suffer from significant economic, environmental and social difficulties, such as high unemployment, substandard housing, low educational achievement, poor health and high levels of crime. Our vision is to target those areas for

improvement while seeking to enhance the best features of the Vale so as to raise the quality of life for all who live in the area or visit it for work or recreation.' It is not yet clear how priorities will be determined and outcomes measured at a time of resource constraint.

- 40 The Corporate Plan and Community Strategy have recently been adopted but, because current service plans were produced before their production, the specific actions in the service plans are not aligned with the actions described in the plan and strategy. This disconnect between service plans and the Corporate Plan should be resolved over the autumn when the new service plans are developed.
- 41 Current service plans show the estimated staff resource required for delivery, but not the financial or other resources required, or how the impact of delivery will be assessed. This will need to be resolved in the formulation of the new service plans.
- 42 The Council has been undertaking a range of regeneration activities across rural and urban areas and, in September 2008, was party to the establishment of a County Regeneration Partnership. The partnership commissioned a baseline assessment that reported in August 2009, which provides a framework for the integration of socio-economic and environmental delivery mechanisms with other key elements of delivery across the county. At present, we are unclear about the way in which projects will be prioritised and how their impact will be assessed, and this will be reviewed and reported on in the November Annual Improvement Report.

The contribution of partnership working and the use of land and building assets in the achievement of objectives is unclear

- 43 The Wales Audit Office 2009 review of buildings management identified the need to update the Asset Management Plan (which had not been reviewed since 2006). The review also found that progress had been made towards meeting the aspirations and objectives as set out in the buildings maintenance business plan but further work was needed to strengthen the arrangements for service transformation, including a need to clearly identify the business justification for holding land and buildings. Progress identified in the 2009 report was in respect of the management information supporting the operational activity of the service. Other developments included:
 - the introduction of a new appointments system (September 2009);
 - business process re-engineering for frontline and backoffice functions;
 - the implementation of mobile working for all operatives (from September 2009); and
 - the transfer to the national schedule of rates.
- 44 As part of the next phase of the OneVale programme, a mobile/agile working project is supporting and facilitating the consolidation and reduction of office accommodation. The technology has been tested and proven, and all major Council offices now have a wireless network. Corporate Management Team will mandate mobile working, enabling some Council buildings to be released.



45 In 2009, a review of partnership working by the Appointed Auditor identified weaknesses in partnership arrangements. The Council has agreed recommendations arising from the report with the aim of implementing the majority by September 2010. We will undertake a further review of progress as part of our Improvement Assessment work. However, we recognise that some progress has already been made, resource has been invested in developing the performance management framework for the strategic partnership bodies. As well as providing a tool by which progress can be measured, the framework will deliver a number of other benefits when complete, including:

- clarifying objectives and priorities;
- strengthening the agendas of partnership meetings, by providing a clear focus;
- defining the roles and responsibilities of members and working groups in relation to the delivery of targets; and
- identifying where and how resources need to be deployed to best support the achievement of objectives.

