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Good Governance when Determining Significant Service Changes – **Bridgend County Borough Council**

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Summary report

Summary

- 1 'Governance is about how public bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which public bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities'¹.
- 2 Good governance is essential for the effective stewardship of public money and the continued delivery of efficient and trusted public services. The current financial climate and reduced settlements for local government as well as rising demand for some services mean that all councils are likely to continue to need to make decisions regarding the future configuration and level of service delivery. It is appropriate that public bodies continuously seek to improve. Small, incremental changes to service delivery are made at a managerial and operational level as part of normal, operational decision-making. However, good governance supported by effective planning and rigorous processes is critical when determining significant service changes. Such decisions are often controversial, generate considerable local interest and can have significant impacts on the individuals and groups affected.
- 3 From April 2016, councils are required to comply with the Well-being of Future Generations (Wales) Act and associated Statutory Guidance. The Statutory Guidance states that: 'Together, the seven well-being goals and five ways of working provided by the Act are designed to support and deliver a public service that meets the needs of the present without compromising the ability of future generations to meet their own needs'². This legislation emphasises the importance of effective governance in achieving well-being goals.
- 4 The focus of this review is on the effectiveness of Bridgend County Borough Council's (the Council) governance arrangements for determining significant service changes. We define this as any significant change in delivering services and/or any significant change in how services are experienced by external service users. This could include, for example, significant changes to the way the service is delivered, the level of service provided, the availability of the service or the cost of the service.
- 5 Taking the Chartered Institute of Public Finance and Accountancy's (CIPFA) revised framework for 'Delivering good governance in local government' as an appropriate standard, this review provides the Council with a baseline, from which to plan further improvement. In this assessment, undertaken during the period

¹ **CIPFA/SOLACE Delivering Good Governance in Local Government: Framework 2007**

² **Shared Purpose: Shared Future, Statutory guidance on the Well-being of Future Generations (Wales) Act 2015, Welsh Government**

September to November 2016, to inform our assessment of the Council's overall arrangement for developing and determining service changes we looked at aspects of decision-making arrangements in relation to a range of significant service change proposals. The examples of service changes we looked at included:

- Learner travel
- 'Extracare' housing
- Meals at home
- Waste services provision
- Nursery provision
- Public conveniences
- Supported bus services
- Grounds maintenance
- Bereavement services

6 We did not look in detail at each of the individual service change decisions, but rather used them as examples to draw from and inform how the Council goes about making decisions in relation to service changes.

7 In this review, we concluded that **the Council has clear priorities that shape its decisions on significant service change and it seeks to learn and improve its arrangements but there is scope to improve the accessibility of some information.**

Proposals for improvement

Exhibit 1: proposals for improvement

The table below sets out our proposals for improvement:

Proposals for improvement	
P1	The Council should improve the availability and accessibility of information relating to decision-making on significant service change, including, for example, publishing a Forward Work Programme(s) that covers Cabinet and Council business.
P2	The Council should resolve how it will how it will embed the sustainable development principle into decision-making
P3	The Council should clearly set out how the impact of service changes will be monitored at the point of decision.

Detailed report

The Council has clear priorities that shape its decisions on significant service change and it seeks to learn and improve its arrangements, but there is scope to improve the accessibility of some information

The Council has identified three corporate priorities that clearly inform its decisions on significant service changes

- 8 The Council has set out three priorities within its Corporate Plan 2016-2020:
- Supporting a successful economy;
 - Helping people to become more self-reliant; and
 - Smarter use of resources.
- 9 These priorities provide the Council with a defined focus for activity and Cabinet members and senior officers are able to articulate how they are shaping decisions on service change. There is alignment between the Corporate Plan and Medium Term Financial Plan and, as part of the budget-setting process, savings proposals are mapped against the three priorities to help ensure they are guiding decision-making.
- 10 The Council has begun to consider the implications of the Well-being of Future Generations (Wales) Act 2015 and on 1 March 2017 reviewed its corporate priorities in the context of the Act.. However, it is not yet clear how it will embed the sustainable development principle into decision-making.

The Council benefits from generally clear governance and accountability arrangements and positive working relationships between officers and members

- 11 Our Corporate Assessment, reported in January 2016, concluded that 'appropriate governance arrangements are in place to drive change', and that 'roles and responsibilities are clear and effective arrangements are in place for holding people to account'. The Council's Constitution sets out responsibilities for its functions and its separate Scheme of Delegation of Functions sets out responsibilities in detail. However, the Scheme of Delegation is not accessible on the Council's website (see paragraph 22) and the Council recognises its website has scope for improvement. Members and officers describe good working relationships. This is particularly the case with Cabinet members and senior managers who meet regularly and state that they work together closely.

- 12 The Council's Cabinet also values the role of scrutiny. Scrutiny members undertake pre-decision scrutiny, including through the scrutiny Budget Research and Evaluation Panel (BREP). The BREP has developed over recent years into a 'standing working group to enable members to engage in more meaningful discussion on budget proposals' and the wider change programme³. It now meets at several points throughout the budget-setting process. Minutes of this meeting are not publicly available but recommendations are reported formally to Corporate Resources and Improvement Overview and Scrutiny committee and then to Cabinet.
- 13 BREP membership is drawn from each of the Council's scrutiny committees. The Council reviewed the effectiveness of BREP in 2015-16 and identified the need for a closer relationship with Cabinet. The Cabinet Member for Resources now attends all BREP meetings. While the intention of this arrangement may be to increase the likelihood of recommendations being accepted, the presence of a Cabinet member has the potential to blur accountability for decision-making between Cabinet and scrutiny members. The Council will need to assure itself that there is sufficient transparency in this arrangement and that accountability for decisions remains clear, particularly as the minutes of BREP meetings are not published.
- 14 Reports to Cabinet, Council and scrutiny committees are checked by the relevant officers before being considered by members. This ensures that legal, financial, equalities and other considerations are taken into account in decision-making. Cabinet reports also include a section on 'effect upon policy framework and procedure rules'. The Council is trialling an electronic report sign-off process that will also show a record of officer comments.

The Council typically considers a range of options for significant service changes that are supported by clear information, but they are not generally accompanied by a formal options appraisal

- 15 The Council generally considers a range of options when making service changes. A project management approach has been used for some larger projects, and in these cases service change objectives and options are set out explicitly. While the Council's project management approach was not widely used for the examples of service changes that we looked at, the Council's decision reports tend to set out a range of options and it is possible to identify the key drivers of, and objectives for, service change within them. However, this means it is not always possible to see a clear set of criteria and a detailed options appraisal process.

³ **Standing Budget Research and Evaluation Panel Proposed Terms of Reference 2015-16, Bridgend County Borough Council**

- 16 Options for service change are accompanied by financial information. For some service change proposals information on consultation and Equality Impact Assessments (EIAs) are included with Cabinet reports.
- 17 However, one of the examples we looked at related to an increase in fees and charges and it did not appear to be accompanied by multiple options or sufficient information to aid decision-making. Specifically, we noted that some increases in fees and charges were included in the Council's budget even though the precise amount they would rise by had not been determined.
- 18 Scrutiny members play an active role in the development of service change proposals. During our fieldwork officers and members referred to regular meetings between senior officers and scrutiny chairs. This supports forward work planning and pre-decision scrutiny of service changes. The BREP also provides scrutiny members with an opportunity to comment on the viability of service change proposals and to challenge directors and Cabinet members on the deliverability of savings, notwithstanding the potential blurring of accountability referred to in paragraph 13. Scrutiny members also challenge the information accompanying service change proposals. For example, scrutiny members felt that there had not been enough consultation with service users on proposed changes to learner travel, and Cabinet responded to this concern by requesting that officers carry out further work.

The Council has generally effective consultation arrangements when considering significant service changes and it continues to develop them, though the accessibility of information could be improved

- 19 The Council has generally effective arrangements in place to consult stakeholders on service changes. Larger and more complex consultations must be approved by the Council's consultation team. The consultation team provide advice on consultation, but also seek to ensure that equalities and Welsh language considerations have been taken into account. The Council has also placed emphasis on building capacity and knowledge of consultation practice across the organisation. The consultation team has therefore developed a consultation toolkit and runs roadshows for managers to advise them on the level and nature of consultation they should undertake.
- 20 The Council undertook an extensive consultation on changes to waste service provision. It ran the consultation over eight weeks and received a total of 2,795 responses, the highest response rate they have ever received for any consultation exercise. The Council sought to ensure widespread engagement by working with stakeholders, such as the Local Service Board, Bridgend Equality Forum, Bridgend Business Forum and Bridgend First. It also utilised a variety of engagement methods, including an online survey, social media, paper surveys, emails and

telephone responses. The Council's Waste Services Equality Impact Assessment made reference to the Council's intention to use as 'wide a range of consultation, engagement activities and tools as possible' to ensure broad representation⁴. With this in mind, the Council produced a plain language consultation document in English and Welsh and worked with the Bridgend Equality Forum to run a session to support people with additional needs to complete the survey. They also encouraged Bridgend Equality Forum member organisations to take part. Therefore, the Council has undertaken substantial work to seek the views of the public on this issue and adapted its proposals and introduced mitigations in response to data and feedback.

- 21 The Council is able to demonstrate that consultation findings have influenced other decisions on service change. For example, its proposed changes to nursery provision were dropped and its proposed reduction to subsidised bus routes was reduced from £229,000 to £15,000 as a result of consultation.
- 22 The Council's consultation webpages provide details of open and closed consultations. Other information on service change, such as recent committee minutes and reports is accessible on the website. The Council is also seeking to use social media to increase participation in consultations, such as the budget and waste consultations.
- 23 However, the Cabinet Forward Work Programme is not available on the website. This is a departure from the requirements set out in the Council's own constitution, which states that a Cabinet Forward Work Programme will be published at least 14 days before the start of the period covered (a period being four months, except when elections occur). Some key documents such as the Council's Scheme of Delegation and Scrutiny Forward Work Programmes are also not easily accessible on the website as standalone documents. The Scrutiny Forward Work Programmes also contain minimal information and do not cover the content or purpose of items. The Council's website includes a search function for officer and member decisions but at the time of our review this did not appear to operate properly. There are no links to archived scrutiny committee reports, agendas and minutes pre-2014. Taken together, these issues limit the transparency of arrangements and the ability of stakeholders to access information about past and forthcoming decisions.
- 24 The Council is working to improve the accessibility of some of this information. It has informed us that it is developing new scrutiny committee webpages that will include details of how the scrutiny process operates, a scrutiny topic request form and more easily accessible scrutiny forward work programmes. The Council has also begun to webcast some scrutiny meetings covering topics of public interest. This should mean scrutiny of major service changes are more likely to be webcast in future.

⁴ Full Equality Impact Assessment, Changes to Residual Waste Service Provision March 2016, Bridgend County Borough Council

The Council monitors financial savings and the impact of some significant services changes, though this could be strengthened by clearly setting out how impact will be monitored at the point of decision

- 25 The Council regularly monitors progress in delivering financial savings arising from service changes. This happens in a number of fora including Cabinet, Corporate Management Board, Scrutiny Committees and Corporate Performance Assessment (CPA). For service change projects that are managed through the Council's structured project management process, risks, issues and progress against milestones are reported in highlight reports to the Council's Programme Management Board (PMB)⁵. There are examples of scrutiny committees monitoring the impact of service changes, such as the Awen Cultural Trust.
- 26 While the Council monitors financial savings and service performance, its arrangements for reviewing the impact of specific service changes could be more systematic. Some of the Council's Equality Impact Assessments do include reference to how mitigations will be monitored. However, decision reports do not routinely set out how, when and by whom the impact of service change will be monitored. The Council's revised business case template includes a section on benefits/dis-benefits of proposals, although does not explicitly ask for monitoring arrangements to be described. There is therefore an opportunity for the Council to build on the specific examples given above by setting out arrangements at the point of decision. This would ensure there is clarity on how and when service changes will be monitored, and that it happens consistently.
- 27 We identified some examples where the Council has put transition arrangements in place as part of the process of managing service change. For example, an Extracare open day was held for service users, their families and staff. Additional information was provided and a 'grace period' introduced as part of changes to waste services provision.
- 28 The Council is taking steps to improve its approach to Equality Impact Assessments and reports having trained over 100 of its managers on the process during 2016. Cabinet and Committee report templates include a section on Equality Impact Assessments but there are further opportunities to ensure key issues and any mitigating actions are included in that section of the main report, in addition to the separate Equality Impact Assessment document.

⁵ The Programme Management Board aims to provide corporate leadership that supports change throughout the Council. It is attended by all members of Corporate Management Team, representatives from the Corporate Transformation Team and relevant senior responsible officers and managers as required.

The Council is learning from its experience to improve its arrangements for determining and delivering service changes

- 29 The Council reviews and seeks to improve its governance arrangements for determining and delivering service changes. As previously described, the Council has reviewed the BREP and made changes to how often it meets and who attends with a view to increasing its effectiveness. The Council has also revised its project management toolkit for 2016 and we have been informed that there is an intention to use the approach more consistently for service change projects.
- 30 The Council's consultation team informed us that they undertake an evaluation of all of the consultations they deliver or are directly involved with. Notably, they reviewed and adapted the approach to the budget consultation and increased the number of responses from 400 in 2013 to 1,800 in 2015. The Council recently received a legal challenge over proposed changes to learner transport and has responded by reviewing the process it went through. It has since recommended the process to ensure it is fulfilling statutory requirements.

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