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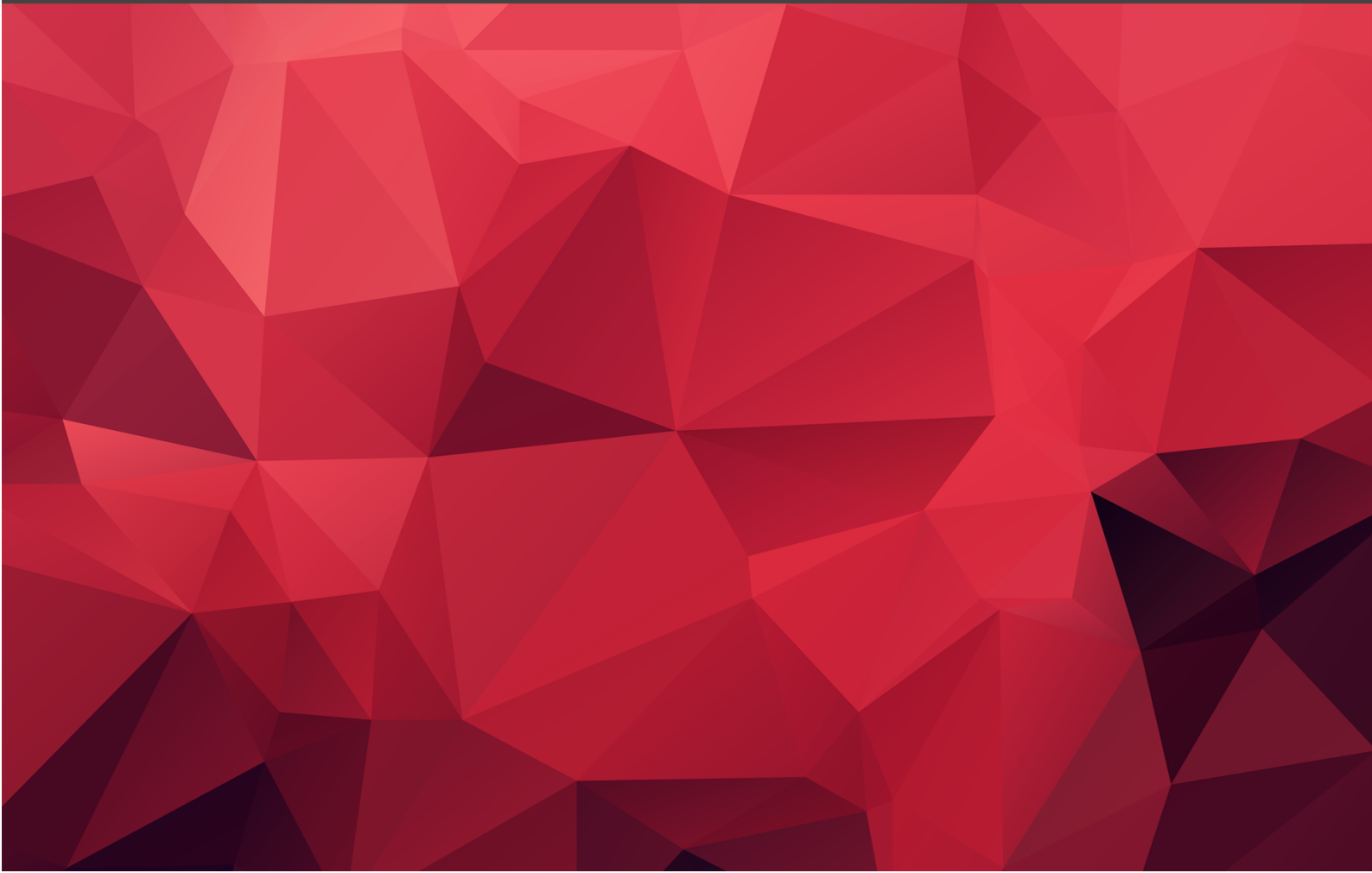
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# Good Governance when determining significant service changes – **City and County of Swansea Council**

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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'.<sup>1</sup>
- 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 Since April 2016, councils have been 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'.<sup>2</sup> This legislation emphasises the importance of effective governance in achieving wellbeing goals.
- 4 The focus of this review is on the effectiveness of the City and County of Swansea 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. This meant that we did not consider the arrangements for the commissioning reviews the Council has undertaken of internal services.
- 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 in December 2016, to

<sup>1</sup> CIPFA/SOLACE Delivering Good Governance in Local Government: Framework 2007

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

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 we looked at were:

- Residential and Outdoor Centres Commissioning Review
- Culture and Leisure Commissioning Review
- Waste management Commissioning Review
- Adults Services Commissioning Review

- 6 The Council adopted a comprehensive strategy for change in 2014. This included detailed analysis of service provision by means of ‘Commissioning Reviews’ (CRs) which began in 2015. The examples we looked at were from Council activity in the first phase of the process and we recognise that the Council was actively learning from this phase, refining arrangements and developing a culture to support future change. Since 2017 the Council has been moving to reviews of cross-cutting activity and providing opportunities for community and other key stakeholder engagement in the co-production of reviews and options for future service delivery.
- 7 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 that affect the public. We also recognise that some of the practices adopted in the early reviews have subsequently been refined.
- 8 In this review we concluded that the Council has a clear governance framework for determining significant service change but needs to clarify how the impact of change for service users will be evaluated.

## Proposals for improvement

Exhibit 1: proposals for improvement

Proposals for improvement	
P1	Improve public access to information about the Council’s Commissioning Review activity and outcomes by linking together all the website information about the overall programme and signposting its availability.
P2	Whilst potential financial savings are consistently identified the Council should ensure that the process for concluding a review consistently identifies the intended impact for service users and the means by which that impact will be evaluated in the future.

# Detailed report

## The Council has a clear governance framework for determining significant service change but needs to clarify how the impact of change for service users will be evaluated

### The Council has a clear vision and framework to support decision making for significant service change

- 9 The Council has an overarching vision for 'a safer, greener, smarter, fairer, healthier, richer, Swansea' supported by clear priorities, values and principles. These are included within the Council's strategy for change, 'Sustainable Swansea – fit for the future'. The Council's Cabinet adopted the strategy and its delivery framework in July 2014. The framework takes account of four key elements, the Council's Core Purpose, its Policy Framework, its vision of the Future Council and its Medium Term Financial Plan.
- 10 Since 2015, the Council has implemented a three-year programme of CRs which explores the potential for new models of service delivery in 18 areas of council activity. Guidance for review teams, including the core questions to be asked is in place to support delivery of the CR programme. Over time the Council has learnt from its experience and introduced further guidance as well as modifying processes.
- 11 The Council expects the CR process to drive service transformation, ensure financial sustainability and deliver better outcomes for residents. The Council also expects that any change must safeguard the sustainability of services, while becoming more efficient and achieving savings targets. The process includes the following activities:
  - identifying community needs;
  - specifying outcomes;
  - presenting options that enable a decision about how best to deliver; and
  - monitoring future activity.
- 12 The Council adopted Sustainable Development (SD) principles as a key part of its policy framework in 2006. It approved a strategy for informing staff and sought to integrate SD considerations into all decision making. The Council also set up a dedicated SD Unit and built in SD as an expectation for consideration during the CR process.
- 13 Since 2012, one of the Council's Cabinet portfolios has included responsibility for oversight of SD activity, and in 2014 the Council established the role of Cabinet member dedicated to Next Generation Services. The Council has also recently established a Future Generations Board with member and officer representation to

act as a governance vehicle for the Well-being of Future Generations and Social Services and Well-being statutory obligations.

## Roles and responsibilities for service change decisions are clear and understood by members and officers

- 14 Roles and responsibilities of members and officers are clearly set out in the Council's Constitution. The Commissioning Review Service Specification Workbook (the Workbook) also sets out specific roles and responsibilities in respect of the CR process. At interview, members and officers demonstrated a clear understanding of these expectations.
- 15 The Council has established a specific governance framework for managing the delivery of CRs and the decision making process. This framework encourages interaction with other key groups of officers and members who are collectively involved in the implementation of the Sustainable Swansea strategy. The framework includes:
  - the **Commissioning Review Programme**: enables a clear picture of progress, clarifies responsibility for key stages in each review and provides the opportunity for identifying when expected benefits of a review may be realised.
  - the **Commissioning Review Programme Board (CRPB)**, is the officers of the Corporate Management Team (CMT). The officers include the Chief Executive Officer, Corporate Directors and Chief Officers. This Board is informed by the Commissioning Strand Lead and facilitates overall programme delivery.
  - the **Budget Performance Review Group (BPRG)**, attended by the Leader, Monitoring Officer and relevant Chief Officers and Cabinet Members. It enables assessment of the contribution of the CRs to savings targets within the Medium Term Financial Plan.
  - the **Commissioning Review monthly dashboards and gateway reports** are presented to both the CRPB and the BPRG to inform of programme progress.
- 16 At Cabinet level, the portfolio member for Transformation and Performance has responsibility for maintaining oversight of the CR Programme as a whole. While other Cabinet portfolio members have responsibility for CRs conducted within their sphere of responsibility.
- 17 The Council approved a new Senior Management structure in April 2016. As part of this re-structure the Council created a new post, the Chief Officer for Transformation. This post is responsible for the delivery of the Sustainable Swansea Strategy and maintains a pivotal role in overseeing all CR activity and sits on the CRPB. This has helped improve co-ordination of support to those services undergoing reviews.

18 There are also informal fora in the governance framework such as Sustainable Swansea ‘members’ briefings’ that provide members with an update on CR progress. Also ‘Sustainable Swansea Delivery Watch’ which is a mechanism for linking CR progress with Medium Term Financial Plan targets. The Council makes information about proposals public when they are presented to Cabinet for decision.

**The Council’s appraisal of service options is well supported by impact assessments and clear selection criteria**

19 The Council has adopted criteria for evaluating options for service changes. Of the four reviews we looked at, the outcome of each review gave rise to officer recommendations and Cabinet decisions to transform and retain the existing Council run service.

20 The workbook expects officers and members to evaluate different delivery methods as part of each review. These are:

- transform in-house;
- establish or deliver via a new trust/not-for-profit body;
- commission an existing trust/not-for-profit body;
- commission a commercial operator;
- establish an arm’s-length company;
- new management relationships via community groups; and
- collaboration with others.

**Exhibit 2 – criteria are in place to guide the option appraisal process**

The Council has adopted the following criteria to assess each alternative service delivery option in each Commissioning Review:

Criteria	Scope
Outcome	<ul style="list-style-type: none"> <li>• Meet the relevant Core Objectives of the City and County of Swansea</li> <li>• Meet the Commissioning Review’s future Service Vision, Mission and core outcomes</li> </ul>
Fit with Priorities	<ul style="list-style-type: none"> <li>• Deliver the City and County of Swansea’s Corporate priorities</li> </ul>



Criteria	Scope
Financial Impact	<ul style="list-style-type: none"> <li>• Achieve NNDR Savings</li> <li>• Achieve MTFP Savings/Target Savings for the next three or five years</li> <li>• Has limited or no set up costs or requires up-front investment</li> <li>• Achieves VAT Savings</li> <li>• Achieves a capital receipt</li> </ul>
Sustainability/Viability	<ul style="list-style-type: none"> <li>• Be implemented within the legal constraints (this could be covenants etc)</li> <li>• Maintain sustainability or make service improvement for the citizen</li> </ul>
Deliverability	<ul style="list-style-type: none"> <li>• Be implemented within the set timescales</li> <li>• Can be implemented within cost constraints</li> <li>• Can deliver the service area's expectations within the challenges</li> </ul>

- 21 The Council is using a three band (green, amber or red) scoring system to assist its evaluation of alternative options against each of the criteria in Exhibit 1 to arrive at an overall 'score' for each option. In each of the four reviews we looked at, the Council's score supported it to make a decision to transform and retain the existing Council run service.
- 22 Equalities impact assessments provide assurance that service change proposals take account of statutory duties and corporate priorities. The Council's corporate team is available to provide advice about undertaking Equalities Impact Assessments (EIA) including potential consultation methods. The Council has improved the efficiency of assessing impact by using one assessment form to capture equalities considerations along with other council expectations such as, the use of the Welsh language, its anti-poverty strategy and promotion of community cohesion.
- 23 The Council uses standard screening forms to undertake initial evaluations of proposals to determine the need for a full assessment. This has enabled CR teams to undertake appropriate, well-scoped assessments at an early stage in their reviews. Although all CR reports to Cabinet indicate whether a full EIA is necessary or not, neither the screening form nor the EIA where applicable, had been included with the report to Cabinet prior to March 2017. Since March 2017 either the screening form or the full EIA has been included with the Cabinet reports, improving the transparency of decision making.

## Commissioning reviews describe intended outcomes but have not consistently explained how the impact of change will be evaluated in the future

- 24 Commissioning Review have identified intended outcomes for a range of service users. The most recent reviews have engaged service users in the development of options and in identifying preferences for proposing to Cabinet. Earlier reviews set the context in which a service was being delivered, its contribution to delivering corporate priorities and utilised service user feedback as a means of informing reviews.
- 25 The Council monitors progress in the delivery of the overall programme by means of monthly 'commissioning dashboard' reports. These consistently include information about delivery against financial targets and the implementation of key actions but do not specify how changes will be evaluated in terms of the improvement sought. Whilst 'benefits' of action are recorded they are usually described in terms of staff reduction or financial savings made without reference to the impact for service users.
- 26 However, the Family Support Commissioning Review end of project report produced in March 2017 and the Cultural Services Service Plan scorecard provide examples of how the Council can use existing processes to strengthen the connection between the completion of a review and subsequent service performance reports.
- 27 For example, the end of project report includes for transfer of action to service teams describes the intended measures of success and commits to reporting outcomes to Cabinet. The service plan scorecard includes a range of measures for incorporation into existing service performance monitoring arrangements that should enable the impact of the review to be assessed across a range of criteria.

## The Council has evaluated and refined the commissioning review process

- 28 The Council plans to complete this round of Commissioning Reviews process in three phases: phase one in 2015-16; phase two in 2016-17, and phase three in 2017-18.
- 29 From its inception the Council built in review stages to enable it to refine the CR process. This has included:
- cabinet away days on each anniversary of the reviews in October 2015 and September 2016 to evaluate what worked well, what did not work well, and to follow up on previous years' recommendations
  - review by the Scrutiny Programme Committee in February 2016 that led to an agreement that all CRs would undergo pre-decision scrutiny via the committee or relevant Panels as appropriate. A further review by the Committee on 10 April 2017 concluded that: 'The scrutiny of Commissioning

Reviews had been a positive step forward, but this would be further improved by having more time to scrutinise such important cabinet reports.’ The proposed dates of reporting CRs to Cabinet are included in the scrutiny programme.

- self-assessment by officer teams that reduced the number of stages in the CR process in order to speed up completion of the CR programme with a view to achieving the financial savings targets and meeting Medium Term Financial Plan requirements.

- 30 Information relating to each CR on the Council’s website is limited and not well signposted. It is not clear how the public and other external stakeholders would be able to find out the progress being made with the reviews in terms of improving outcomes for residents and securing the savings targets set out in Sustainable Swansea. Public access to CR documentation is triggered when CR progress is reported to Cabinet for decision, or to Scrutiny for pre-decision review and challenge. At this point the details of reports, minutes and agendas are publicly available as part of the usual committee papers.
- 31 One of the Council’s 10 key principles underpinning the delivery of the CRs approved by Cabinet in July 2014 focusses on engaging with a variety of stakeholders. The principle states that: ‘We will engage at an early stage with people in agreeing, designing and delivering outcomes eg workforce, trade unions, communities, schools/universities and partners.’
- 32 The Council’s workbook recommends taking into account the views of a range of stakeholders at specific stages of each review. For the early stages in the CR process, the Council’s workbook refers to collating information relating to the service’s knowledge of its customers, taking account of any needs assessment, the demand for the service and whether the service knows what customers, internal users and members think of the proposed service model. So, in the early stage of a CR, existing knowledge of stakeholders’ views is considered with subsequent decisions being made about the extent of stakeholder engagement dependent on the nature of any change being considered. For example, the waste management review provided views obtained from recent service user surveys about the existing service, whilst the adult care reviews sought views from individual service users about service delivery options.
- 33 The more recent reviews have developed stakeholder engagement further involving them as ‘co-producers’ of the options evolving from the process. For example, by the inclusion of a broader range of stakeholders in scoping the Family Support Commissioning Review and stakeholder co-production of the scope of the Children with Disabilities strand of the review. This theme of ‘co-production’ is a key element of the next stage of the CR process.
- 34 The Council forecasts completion of the programme during 2017-18 when it plans to introduce a new programme phase to focus on transformation; the digital agenda and the future Council.

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