

Appendix 1

<u>BLAENAU GWENT COUNTY BOROUGH COUNCIL</u>	
Report to	The Chair and Members of the Corporate Overview Scrutiny Committee
Report Subject	Wales Audit Office Summary of Local Reviews - Blaenau Gwent County Borough Council
Report Author	Stephen Gillingham, Temporary Head of Paid Service and Lead Corporate Director
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Directorate	Corporate Services
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Date signed off by Chair	21st August 2017
Key words	Information Technology, Asset Management, Risk Management, Partnership and Collaboration, Data Quality, Wales Audit Office

Report Information Summary

1.	Purpose of Report
1.1	The purpose of the report is to provide the Corporate Overview Scrutiny Committee with the WAO Summary of Local Reviews - Blaenau Gwent County Borough Council.
2.	Scope of the Report
2.1	The report includes detail on the findings from the WAO as well as the responses to the Proposals for Improvement.
3.	Contribution to the National Well-Being Goals – Detail attached as Appendix 1
4.	Recommendation(s) / Endorsement by other groups, e.g. CMT/Committees/Other groups
4.1	The Directorates and CLT have responded to the WAO regarding their findings and endorse the approach identified by the Directorate to respond to the Proposals for Improvement.
5.	Recommendation/s for Consideration
5.1	For the Corporate Overview Scrutiny Committee to consider the information contained within the WAO's report (appendix 2) and provide comment on the response to the Proposals for Improvement.

Why this topic is a priority for the Council?						
Single Integrated Plan (SIP)	Corporate Improvement Plan (CIP)	Performance Management Improvement Framework (PMIF)	Operating Model	Transforming Blaenau Gwent (TBG Programme)	Relevant legislation	Other (please state)
	X	X				WAO

Reporting Pathway							
Directorate Management Team (DMT)	Corporate Management Team (CMT)	Audit	Democratic Services Committee	Scrutiny	Executive	Council	Other (please state)
	1/8/17	3/10/17		4/9/17	27/9/17		

Main Report

1.	Background and Context
1.1	The Wales Audit Office Summary of Local Reviews - Blaenau Gwent County Borough Council was issued in June 2017 (attached Appendix 2).
1.2	The WAO undertook local risk based work for 2016/17 which included: <ul style="list-style-type: none"> • Information Technology; • Asset Management (focus on buildings and workplace transformation); • Risk Management; • Partnership and Collaboration; and • Data Quality.
1.3	The review covered the audit year 2016/17 with the five reviews being undertaken between October 2016 to January 2017.
1.4	The report concluded for Information Technology:
1.4.1	<i>‘The Council recognises gaps in its capacity to deliver Information Technology (IT) services and is starting to realise the benefits of its partnership with the Shared Resource Service (SRS)’.</i>
1.4.2	The WAO came to this conclusion about Information Technology because the Council: <ul style="list-style-type: none"> • Does not have an up to date IT Strategy but is working to develop a commissioning strategy and IT strategy that reflects its partnership with SRS and its retained services. • Now manages IT as a corporate resource and has a stronger focus on IT performance. • Has maintained systems and made arrangement to deliver IT projects since partnering with SRS, but improvements are at a very early stage and ongoing capacity needs review.
1.4.3	Following these findings, two proposals for improvement were identified for Information Technology: <ol style="list-style-type: none"> 1. Develop a strategy that takes account of the partnership with the SRS and retained IT services.

	<p>2. Formally review ongoing capacity needs to ensure that the Council maximises the benefits from its IT investment.</p>
1.5	<p>The report concluded for Asset Management:</p>
1.5.1	<p><i>‘The Council is making much better and more strategic use of its assets but does not have robust systems or capacity to provide information to support future decision making about assets’.</i></p>
1.5.2	<p>The WAO came to this conclusion about Asset Management because the Council:</p> <ul style="list-style-type: none">• Is making much better and more strategic use of its assets but has not fully costed or resourced its Strategic Asset Management Plan.• Has established arrangements to manage assets corporately and managers communicate about assets effectively across the organisation.• Engages effectively with stakeholders in the use of its assets• Does not have robust systems or capacity to provide information to support future decision making about assets.
1.5.3	<p>Following these findings, two proposals for improvement were identified for Asset Management:</p> <ol style="list-style-type: none">3. Ensure that the Council’s new SAMP aligns with the MTFP.4. Ensure that IT systems used to record assets provide a full record to support strategic decision making.
1.6	<p>The report concluded for Risk Management:</p>
1.6.1	<p><i>‘The Council is committed to managing risks effectively, but some directorates do not yet apply its risk management policy consistently or robustly’.</i></p>
1.6.2	<p>The WAO came to this conclusion about Risk Management because:</p> <ul style="list-style-type: none">• Senior managers and Members actively promote risk management throughout the organisation.• The Council has a clear framework for identifying, escalating and de-escalating risks and is working to ensure that it is implemented consistently across the organisation.

1.6.3	<p>Following these findings, three proposals for improvement were identified for Risk Management:</p> <ol style="list-style-type: none">5. Develop an action plan setting out how the Council will improve risk management arrangements.6. Clearly set out in business cases and reports how mitigating actions will change the risk rating.7. Ensure that directorates implement the risk management arrangements consistently and effectively.
1.7	<p>The report concluded for Partnership and Collaboration:</p>
1.7.1	<p><i>'The Council is developing effective arrangements to support partnerships and collaborations, and recognises it needs to do more to improve the consistency of its information management and reporting arrangements'</i></p>
1.7.2	<p>The WAO came to this conclusion about Partnerships and Collaboration because the Council:</p> <ul style="list-style-type: none">• Can articulate what it intends partnerships and collaborations to deliver overall but there are opportunities to clarify specific intended outcomes.• Is starting to formalise its partnership and collaborative working but does not yet manage these arrangements strategically.• Is using improved information to support decision making when considering partnership and collaborative arrangements, but continues to operate on a relatively short term basis.• Is improving its partnership and collaborative working, and wants to tackle weaknesses in information management and reporting.
1.7.3	<p>Following these findings, four proposals for improvement were identified for Partnerships and Collaboration:</p> <ol style="list-style-type: none">8. Clarify the expected social and economic outcomes from working in partnership in business cases and reports on proposed partnerships.9. Engage with social enterprises to identify opportunities to work together to build capacity and to further develop long term local economic sustainability.10. Develop information sharing protocols and systems that support the integration and management of partnership data

	<p>and information.</p> <p>11. Include comparative data and performance baselines in reports that make it easier to quantify and evaluate what outcomes and improvements the partnership is delivering.</p>
1.8	The report concluded for Data Quality:
1.8.1	<i>‘Whilst data quality has improved, there continues to be inadequate data collection arrangements and some incorrect reporting of performance’.</i>
1.8.2	<p>The WAO came to this conclusion about Data Quality because the Council:</p> <ul style="list-style-type: none"> • Has taken action to improve data quality but these arrangements are not yet fully effective. • Accurately reported ‘the number of financial efficiency projects behind schedule’. • Data system used to record the number of visits to local authority sport and leisure facilities has weaknesses, which the Council must address. • Data system used to record the standard of cleanliness of highways has weaknesses which the Council must address. • Data system used to record how quickly the Council deals with fly tipping has weaknesses which the Council must address.
1.8.3	<p>Following these findings, four proposals for improvement were identified for Data Quality:</p> <p>12. Ensure that operational managers keep adequate records to support performance indicator submissions.</p> <p>13. Ensure the performance indicator compilers have a thorough understanding of the definition.</p> <p>14. Establish effective internal validation controls of performance data.</p> <p>15. Review the robustness of the data capture systems to assure the Council that systems are fit for purpose and meet the needs of the definition.</p>
2.	Performance Evidence and Information
2.1	<p>Proposal 1 – Information Technology</p> <p>The Corporate ICT Governance Group, through the SRS Client officer (Head of Revenues, Benefits & ICT), will work with the SRS to finalise the IT Commissioning Strategy.</p>

2.2	Proposal 2 – Information Technology The Corporate ICT, Governance Group through the SRS Client officer (Head of Revenues, Benefits & ICT), will continue to monitor the SRS’s delivery of projects prioritised through the Council’s project matrix.
2.3	Proposal 3 – Asset Management <ul style="list-style-type: none">• The Council’s review of its Strategic Asset Management Plan has commenced and is planned for consideration by Environment, Regeneration and Economic Development Scrutiny Committee on 30th October 2017, then Council for approval.• Staffing is reviewed as part of the Sections Risk Register.• Will also be managed through the 2017-2018 SAMP Action Plan• Condition survey information will continue to play a part in determining future planned maintenance works.• Provision has been made in the recently adopted Property Maintenance Plan with Capital Funding provision now put in place for such works.
2.4	Proposal 4 – Asset Management <ul style="list-style-type: none">• Priority SAM 8 Introduction of e-pims as the Council's terrier system, initially for buildings and then by 31st March, 2018• Data Reviewed as part of the Sections Risk Register: Risk ESAM 3• Will also be managed through the 2017-2018 SAMP Action Plan• A ‘fit for purpose’ property data base has been developed for use by the Corporate Landlord. The effectiveness of this database against established databases such as K” & Evolution will need to be reviewed
2.5	Proposal 5 – Risk Management <ul style="list-style-type: none">• Review Risk Management Strategy & Handbook (October)• Action Plan to Implement changes to be developed following review (November)• This is included in the Corporate Overview Forward Work Programme

2.6	Proposal 6 – Risk Management <ul style="list-style-type: none">• Review report writing and business case guidance provided on Risk Implications (September)• Reinforce requirements to colleagues (September)
2.7	Proposal 7 – Risk Management <ul style="list-style-type: none">• Risk and Insurance Manager to attend DMT’s quarterly to ensure consistency of review and challenge to Directorate Risk Registers (Ongoing, to be reviewed March 2018)
2.8	Proposal 8 – Partnership and Collaboration <p>Business case template to include the intended social and economic outcomes from working in partnership, also make links to the Sustainable Development principles and Well-being Objectives.</p>
2.9	Proposal 9 – Partnership and Collaboration <ul style="list-style-type: none">• Monitored through business planning process - Priority EDEV2. Identify specific economic development interventions to be included in the Blaenau Gwent Investment Programme and EDEV3. Develop a Strategic Plan for Enterprise in Blaenau Gwent• Monitored via the Well-Being Objective to “Maximise the employability of local people through skills development at a local and regional level” (Ongoing as part of business plan)
2.10	Proposal 10 – Partnership and Collaboration <p>Corporate Performance Team to develop a database for collaborations.</p>
2.11	Proposal 11 – Partnership and Collaboration <ul style="list-style-type: none">• Agree the definition and criteria to be included in current collaborations (agree what is in and out of the corporate database)• Identify where current monitoring arrangements exist (commissioning and projects) and signpost from the agreed collaboration database to avoid duplication• Corporate Performance Team to manage the collaborations list and develop a monitoring template• Monitoring template to be developed to include performance information both qualitative and quantitative in order to

	measure data and outcomes
2.12	<p>Proposal 12 – Data Quality</p> <ul style="list-style-type: none"> • Send to Performance Leads the National PI Guidance • Monitor the national PIs quarterly to identify any monitoring concerns or inaccuracies • Develop a central depository of all national indicators monitored and reported on in the Council
2.13	<p>Proposal 13 – Data Quality</p> <ul style="list-style-type: none"> • Send to Performance Leads the National PI Guidance • Monitor the national PIs quarterly to identify any monitoring concerns or inaccuracies
2.14	<p>Proposal 14 – Data Quality</p> <ul style="list-style-type: none"> • Monitor the national PIs quarterly to identify any monitoring concerns or inaccuracies and address these with leads • Develop a central depository of all national indicators monitored and reported on in the Council • Targeted work to be undertaken with PI lead officers that were included in the data quality audit • Final validation of data by the Performance Team before national data submission
2.15	<p>Proposal 15 – Data Quality</p> <p>Targeted work to be undertaken on data systems including: Regeneration; Waste; Planning; Property; SAMP; Building Control; Leisure; Street Cleansing; Fly Tipping; Housing; and Homelessness</p>
2.16	<p>These proposals will be monitored via the relevant business plans as well as being reported through the Joint Finance and Performance Report.</p>
3.	Risk Implications
3.1	<p>The Council recognises it needs to address the proposals for improvement from the WAO in order to ensure compliance with legislation and audit reports. If these requirements are not met, the Council is at risk of reputational damage and intervention.</p>

4.	Financial Implications
4.1	There are no direct financial implications as part of these audit reports and all proposals for improvement will be met within existing resources.
5.	Staffing/Workforce Development Implications
5.1	There are no additional workforce implications as part of the WAO review as business plans already identify where capacity is required in order to deliver the service.
6.	Options for Consideration
6.1	<u>Option 1</u> Accept the WAO review and actions to implement the proposals for improvement.
6.2	<u>Option 2</u> Provide comment on the WAO review and actions to implement the proposals for improvement for officers to implement in order to provide continuous improvement.
7.	Impact Assessment Against Proposals / Options
7.1	<ul style="list-style-type: none"> • Thinking for the long term The Council is committed to working to the longer term and plans are being developed to consider priorities for the future, linked to the Well-being Objectives. • Taking an integrated approach A number of the proposals for improvement will involve more than one service area, providing an integrated approach to implementation. • Taking a preventative approach The Council is committed to the preventative agenda in order to reduce the need for services later on when the needs will be higher. • Collaborating Blaenau Gwent is taking a collaborative approach with its ICT service working with the SRS. There are a number of partnership arrangements in place that Blaenau Gwent is involved with. • Involvement Services identify where they intend to involve citizens and or partners in their service planning.

7.2	Equality Impact Assessment (EQIA) An EqIA is not required for the WAO report. However, should any service changes take place an EqIA will be undertaken.
8.	Conclusion
8.1	The Council is committed to implementing the proposals for improvement identified as part of the Wales Audit Office Summary of Local Reviews. Action plans have been developed for each of the five areas involved in the review.

Assess how well your project / activity will result in multiple benefits for our communities and contribute to the national well-being goals.		
Description of the Well-being goals	How will your project / activity deliver benefits to our communities under the national well-being goals?	Is there anyway to maximise the benefits or minimise any negative impacts to our communities (and the contribution to the national well-being goals)?
<p>A prosperous Wales An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.</p>	<p>By implementing the proposals for improvement the Council will be working towards the implementation of the Well-being Objective, <i>'We will be a modern, smart Authority, providing leadership to enable people and communities to thrive'</i>.</p>	
<p>A resilient Wales A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</p>		
<p>A healthier Wales A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.</p>		

Description of the Well-being goals	How will your project / activity deliver benefits to our communities under the national well-being goals?	Is there anyway to maximise the benefits or minimise any negative impacts to our communities (and the contribution to the national well-being goals)?
<p>A more equal Wales A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).</p>		
<p>A Wales of cohesive communities Attractive, viable, safe and well-connected communities.</p>		
<p>A Wales of vibrant culture and thriving Welsh language A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.</p>		
<p>A globally responsible Wales A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.</p>	<p>By implementing the proposals for improvement the Council will be working towards the implementation of the Well-being Objective, <i>'We will be a modern, smart Authority, providing leadership to enable people and communities to thrive'</i>.</p>	



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Summary of Local Reviews – **Blaenau Gwent County Borough Council**

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The team who delivered the work comprised Lisa Williams, Dave Wilson, Steve Frank and Allison Rees under the direction of Huw Rees.

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Summary report

Introduction

- 1 We wrote to the Council on 6 June 2016 setting out the local risk-based work for 2016-17. This included reviews of the following:
 - information technology;
 - asset management (focus on buildings and workplace transformation);
 - risk management;
 - partnership and collaboration; and
 - data quality.
- 2 We carried out these five reviews from October 2016 to January 2017. The key findings from the individual reviews are set out in [Exhibit 1](#) below.

Proposals for improvement

Exhibit 1: proposals for improvement

We set out below proposals for improvement in each of the areas we reviewed:

Proposals for improvement	
Information Technology	
P1	Develop a strategy that takes account of the partnership with the SRS and retained IT services.
P2	Formally review ongoing capacity needs to ensure that the Council maximises the benefits from its IT investment.
Asset Management:	
P3	Ensure that the Council's new SAMP aligns with the MTFP.
P4	Ensure that IT systems used to record assets provide a full record to support strategic decision making.
Risks Management:	
P5	Develop an action plan setting out how the Council will improve risk management arrangements.
P6	Clearly set out in business cases and reports how mitigating actions will change the risk rating.
P7	Ensure that directorates implement the risk management arrangements consistently and effectively.
Partnerships and collaborations:	
P8	- Clarify the expected social and economic outcomes from working in partnership in business cases and reports on proposed partnerships.

Proposals for improvement

- P9** Engage with social enterprises to identify opportunities to work together to build capacity and to further develop long term local economic sustainability.
- P10** Develop information sharing protocols and systems that support the integration and management of partnership data and information.
- P11** Include comparative data and performance baselines in reports that make it easier to quantify and evaluate what outcomes and improvements the partnership is delivering.

Data quality:

- P12** Ensure that operational managers keep adequate records to support performance indicator submissions.
- P13** Ensure the performance indicator compilers have a thorough understanding of the definition.
- P14** Establish effective internal validation controls of performance data.
- P15** Review the robustness of the data capture systems to assure the Council that systems are fit for purpose and meet the needs of the definition.

Detailed findings

Information technology

The Council recognises gaps in its capacity to deliver Information Technology (IT) services and is starting to realise the benefits of its partnership with the Shared Resource Service (SRS)

What we did and why

- 3 In September 2011, our review of the Council's Information Technology (IT) arrangements concluded that:
 - the Council was aware of the key actions that needed to be taken to exploit technology in order to deliver efficiencies and service transformation, but had taken insufficient action to address issues;
 - arrangements were traditional, recent or planned changes to address weaknesses either needed to mature and become embedded, or were still to be addressed; and
 - there were weaknesses in some aspects of performance which needed to be addressed, but other aspects were acceptable with signs of improvement.
- 4 We proposed that the Council should:
 - Finalise the ICT Strategy and establish arrangements to monitor and report on progress.
 - Ensure the ICT Governance group puts open and transparent decision-making and reporting processes in place.
 - Ensure that the Council has the capacity and skills to deliver and support transformation plans without impacting on the quality of the ICT Service provided.
 - Review and collect information relating to the cost and risks of developing and supporting in-house solutions and evaluate this service in terms of cost-effectiveness and sustainability.
 - Fully exploit the investment in technology by ensuring that the functionality is fully utilised and ensure that staff are adequately trained enabling them to effectively use technology for example, enforce the use of central storage and electronic calendar.
 - Review ICT funding arrangements treating desktop technology as a corporate commodity funded centrally linked to a refresh programme and medium-term financial plans to reduce the total cost of ownership and ensure that desktop technology is fit for purpose.

- Establish programme management arrangements to deliver its transformation programme and incorporate technology based projects into this framework.
 - regularly monitor the usage and cost; and
 - use this to inform its Customer Access Strategy, decision making and prioritisation?
 - Routinely review performance information relating to the usage and understand the cost of transactions across the different access channels:
 - to establish a baseline;
 - regularly monitor the usage and cost; and
 - use this to inform its Customer Access Strategy, decision making and prioritisation.
- 5 Our 2016 review sought to assess whether the Council is effectively addressing the proposals for improvement raised within our 2011 Information Technology review.

What we found

- 6 Our 2016 review finds that the Council recognises gaps in its capacity to deliver Information Technology (IT) services and is starting to realise the benefits of its partnership with the Shared Resource Service (SRS). We set out below our detailed findings to support this conclusion.

The Council does not have an up to date IT Strategy but is working to develop a commissioning strategy and IT strategy that reflects its partnership with SRS and its retained services

- 7 Since our 2011 review, the Council has considered various changes to its IT service delivery model. It considered entering into a Joint IT service with another Council but the other council decided not to proceed with this proposal. Instead, in November 2013, the Council appointed an Interim IT Manager until December 2014. It revised its IT infrastructure and assessed its IT requirements including support for the workplace transformation.
- 8 In January 2016 the Council set out its business case for becoming a partner of the SRS, which included the following improvement objectives:
- to integrate Blaenau Gwent's IT workforce into a collaborative business model to improve the quality of service through the creation of resilience, synergies and centres of expertise;
 - to meet and deliver existing and future service and organisational needs whilst addressing previously identified gaps; and
 - to integrate Blaenau Gwent's IT infrastructure and systems into shared services to ensure value for money through economies of scale.

- 9 In June 2016 the Council became a partner in SRS. IT staff transferred under a TUPE agreement and the SRS now delivers most of the Council's IT services. The Council has, however, retained some functions such as IT security and printing of Council invoices.
- 10 A memorandum of understanding supports the partnership with the SRS. However, the Council does not yet have a clear IT strategy setting out its aims and ambitions for the future of IT services in Blaenau Gwent through both its commissioned and in-house services.

The Council now manages IT as a corporate resource and has a stronger focus on IT performance

- 11 The partnership with SRS has reinforced IT as a corporate resource. SRS receives all internal customer enquiries such as faulty equipment or problems with the operation of software. Council officers meet weekly with SRS representatives to monitor project implementation and re-prioritise development work as appropriate.
- 12 The Council's IT Governance Group now has greater impact. It meets more frequently, Heads of Service attend routinely which raises the profile of the group and officers say that meetings are more business focussed.
- 13 The relationship between the Council and SRS is clear. The Section 151 officer and an Executive Member attend the Formal Board meetings to deal with strategic management of the partnership arrangement. Officers attend the Performance Board to review performance and address common issues affecting all partners.

The Council has maintained systems and made arrangement to deliver IT projects since partnering with SRS, but improvements are at a very early stage and ongoing capacity needs review

- 14 One of the underlying benefits of joining the SRS partnership was to improve resilience and address gaps in capacity. The Council expects to be able to draw on a larger pool of staff and knowledge at key times, and to benefit from a programmed upgrade of new equipment.
- 15 Since entering the SRS partnership in June 2016, the short-term priority has been to establish new ways of working whilst maintaining IT support across all directorates including delivery of planned projects. IT staff have relocated and are settling into the new arrangements, and officers are positive about the transfer to the new partnership arrangement
- 16 During our review, it was too soon for the Council to demonstrate that it would achieve the longer-term benefits from the partnership. It had not at that stage had the opportunity to assess ongoing IT needs and future capacity issues or collated service user satisfaction with the new service.

Asset management

The Council is making much better and more strategic use of its assets but does not have robust systems or capacity to provide information to support future decision making about assets

What we did and why

- 17 As the Council introduces new ways of working, for example, changes in working practices and levels of service delivery, in order to improve services and meet reduced funding, it must ensure that it uses assets to maximum effect.
- 18 Our 2016 review sought to assess whether the Council's asset management arrangements support robust and effective decision making and improvement.

What we found

- 19 Our 2016 review finds that the Council is making much better and more strategic use of its assets but does not have robust systems or capacity to provide information to support future decision making about assets. We set out below our detailed findings to support this conclusion.

The Council is making much better and more strategic use of its assets but has not fully costed or resourced its Strategic Asset Management Plan

- 20 The Council approved its Strategic Asset Management Plan (SAMP) in January 2012 and last reviewed it in September 2015. The Council's vision for asset management is that 'the Council will provide assets, in partnership where applicable, which support the delivery of quality services and the economic and social regeneration of Blaenau Gwent by being fit for purpose, accessible, efficient, suitable and sustainable'.
- 21 The Council has, until 2016, provided a high-level assessment of its progress in delivering the SAMP and has produced an action plan for that year; the most recent one being for 2015-16. Officers reported that the Council had been unable to review the SAMP in 2016 due to limited officer capacity and intended to introduce a simplified report in due course.
- 22 We note that in February 2017 after our fieldwork, the Executive received a report providing details of the Council's Year 4 review of the SAMP 2012-17. That report shows progress against the action plan for 2015-16, presents an action plan for 2016-17. and suggests the preparation of a new Strategic Asset Management Plan for the life of the new Council from May 2017.

- 23 Although the Council had not been able to update the SAMP earlier in 2016, it has been able to demonstrate improvements in its use of assets. For example, the workplace transformation project has seen a reduction in the number of offices from 13 to 3 and the Council has completed some significant Community Asset Transfers.
- 24 The SAMP does not fully align with the MTFP. Due to limited capacity, the Council has not been able to complete its condition surveys of all its assets. Therefore, it is only able to estimate the cost of backlog maintenance. Whilst the MTFP does include a limited 'Planned Maintenance Fund' for transferred leisure trust buildings, it does not have capital funding for a Planned Forward Works Programme.

The Council has established arrangements to manage assets corporately and managers communicate about assets effectively across the organisation

- 25 The Council acts as a corporate landlord to ensure that Council assets are managed centrally; not by individual directorates. It has a well-established Corporate Asset Management Working Group to support delivery of its SAMP and engage with managers across the organisation. This group meets every two months, and managers representing all directorates attend. It provides an opportunity to monitor progress in delivering the SAMP and alerts managers to properties that might be coming available. Attendees sometimes make decisions using their delegated powers, or they may refer recommendations to the Corporate Management Team or Executive.

The Council engages effectively with stakeholders in the use of its assets

- 26 The Council reviewed and revised its Community Asset Transfer Policy in 2015 setting out its purpose 'to set a transparent, positive and pro-active framework to enable, where appropriate, the transfer of assets from the Council to a third sector organisation'.
- 27 The Council established the Community Asset Transfer Steering Group to ensure it adheres to the timescales set out in the Community Asset Transfer Policy. The Corporate Asset Management Working Group refers details of properties that may be of use to community groups, to the Community Asset Transfer Steering Group.
- 28 Engagement with key stakeholders is via the Blaenau Gwent Collaborative Group, which is a forum where the Council can exchange information with partners about its asset management. This group meets quarterly and includes representatives from Fire, Police, Health, Gwent Association of Voluntary Organisations (GAVO) and Coleg Gwent.
- 29 The Minister for Communities and Tackling Poverty reported positively on the Council's approach to Community Asset Transfers in a written statement to the Welsh Assembly on 'Assets of Community Value' in March 2015. She stated that 'Blaenau Gwent County Borough Council had recently published a Community

Asset Transfer Policy and there were excellent examples of successful projects in Ebbw Vale and Brynmawr’.

- 30 The Council’s ‘Implementing a One Public Estate Strategy in Blaenau Gwent 2016-2020’ makes a clear commitment to creating economic growth, generate capital receipts, and reduce running costs. The Council will identify and prioritise opportunities with the most potential to deliver financial or service benefit. The report gives a description of the nature and scope of the property portfolios of public agencies operating in Blaenau Gwent and includes the Council, Fire, Police, Government agencies, Registered Social Landlords and Health services. It estimates that the number of third sector organisations in the borough at 988. The Partnership will be responsible to the Public Service Board reporting through the People and Places Partnership to ensure that proposals align with the Single Integrated Plan. It identifies roles but not responsibilities, outcome measures, timescales nor budgets. The report does not include a consideration or mapping of assets held by community groups. Most significantly there is no indication of value, condition, ownership, any maintenance backlog issues, accessibility, running costs and energy use, and risks associated with the individual portfolios. As a result, the benefits of the project will be hard to judge.

The Council does not have robust systems or capacity to provide information to support future decision making about assets

- 31 The Council does not have an up-to-date and complete records of its property assets. It has used several systems to record important information about its assets. It purchased ‘K2’ to replace its previous system ‘Evolution’. However, officers found ‘K2’ difficult to use and keep up to date. Its functionality was also limited, as it did not link with the Geographic Information System, nor could it read floor plans in the right format. The Council is now a pilot site for the Welsh Government’s ‘Electronic Property Information Mapping Service’ system (e-PIMS). Because of these changes in systems and their operational limitations, the Council has lacked important information with which to manage its assets strategically.
- 32 Officers reported that the Council has found it difficult on occasions to recruit and retain in this specialist area of asset management. One middle manager post remains vacant following the previous post holder leaving under a voluntary severance arrangement, and some staff have been appointed on fixed-term contracts. This lack of capacity may further hamper the Council’s ability to manage its assets strategically.

Risk Management

The Council is committed to managing risks effectively but some directorates do not yet apply its risk management policy consistently or robustly

What we did and why

- 33 Risk management is the process of identifying risks, evaluating their potential consequences, and determining and implementing the most effective way of controlling and monitoring them. The desired outcome of the process is to enable organisations to achieve objectives and control negative factors. Risk management should be an integral part of corporate management arrangements, as the process is fundamental to the effective evaluation of policy and service delivery options.
- 34 In our 2016 review, we focused on the Council's corporate arrangements to identify, manage and monitor risks. Our review sought to assess whether the Council's has robust and effective arrangements for identifying risks.

What we found

- 35 Our 2016 review finds that the Council is committed to managing risks effectively but some directorates do not yet apply its risk management policy consistently or robustly. We set out below our detailed findings to support this conclusion.

Senior managers and Members actively promote risk management throughout the organisation

- 36 The Council's Risk Management Strategy, which it last reviewed in September 2015, reinforces the Council's commitment to risk management. The Council's Risk Management Handbook further supports implementation of the Risk Management Strategy by explaining, for example, how to categorise and assess risks.
- 37 The Council has made improvements to its risk management arrangements although risk management itself remains a high-risk entry in the Corporate Risk Register. Senior managers and Members remain committed to making further improvements across the organisation. Whilst the Council monitors individual risks through the Corporate Risk Register, it does not have an action plan setting out how it will improve the effectiveness of its risk management arrangements.
- 38 The Council's Performance Management Improvement Planning Framework sets out risk management in the context of performance management arrangements. In addition, the Council's corporate report template includes a section on risk, and this allows Members to be more aware of risks when making decisions. However, reports do not always adequately define how actions might effectively mitigate against risks.

- 39 The Council continues to train officers and Members to manage risks effectively. In July 2015, Audit Committee Members received a presentation providing an overview of the Council's Risk Management process. In May 2016 over 100 staff attended training sessions, which focused on risk identification and how to develop risk registers.

The Council has a clear framework for identifying, escalating and de-escalating risks and is working to ensure that it is implemented consistently across the organisation

- 40 The Council maintains three levels of risk registers; corporate, directorate and service. The Corporate Risk Register is managed and maintained by the Risk Management and Assurance Section within the Resources Directorate and is included in the quarterly Joint Performance and Finance reports to the Corporate Management Team. If managers consider they should escalate risks from directorate risk registers, the Corporate Risk Register, with a recommendation about the updated risk, will be reported to the Corporate Management Team as a single item. Directorate Management Teams review their directorate risk registers with differing frequency. Corporate Services Directorate reviews the risk register fortnightly and Regeneration and Environment Directorate reviews its risk register every two months. Services manage, maintain and monitor service risk registers locally.
- 41 From early 2017, the Council intends that the Corporate Management Team will routinely consider the Corporate Risk Register quarterly as a single item although risk registers will continue to be included in the Joint Performance and Finance report. The Wider Corporate Management Team will also consider the Corporate Risk Register quarterly to further raise awareness of risk with middle managers and provide closer links between the Corporate Risk Register and Directorate Risks registers
- 42 Members receive the Joint Performance and Finance reports at the Overview Scrutiny Committee and Executive Committee, including an update on Corporate Risks. This ensures that risks remain under regular review and that Members can maintain an overview of changing risk levels.
- 43 Although the Council has a structured approach to risk management, arrangements are not fully embedded or consistently applied across the organisation. The quality of risk assessments varies across the organisation and some managers do not always challenge these assessments. Also, risks are identified in reports to Members, but mitigating actions are not always well defined.

Partnerships and collaboration

The Council is developing effective arrangements to support partnerships and collaborations, and recognises it needs to do more to improve the consistency of its information management and reporting arrangements

What we did and why

- 44 Partnership working is now well rooted and increasingly integrated into the delivery of public services in Wales. The Council has engaged in many partnership arrangements which vary significantly in size and purpose. Any partnership needs to be clear on what it is going to deliver and how it will do this effectively. It should have clear structures for decision making with effective leadership and the right people involved. Resources need to be managed effectively and there should be a framework for measuring performance.
- 45 Blaenau Gwent is facing unprecedented financial constraints and is considering difficult choices in terms of what services it delivers for its citizens and how it delivers them. In order to understand if partnerships are delivering the intended outcomes for citizens, it is essential that the Council can effectively evaluate the partnerships it has entered into to see if they are delivering improved outcomes for citizens, and providing value for money.
- 46 In our 2016 review, we focused on the Council's corporate arrangements and sought to assess whether the Council has effective arrangements to support partnerships and collaborations, which improve outcomes? Due to the number of partnerships and collaborations that the Council is involved in, this review focused on a small sample of these. For example, the Heads of the Valleys Organics Project, South West Education Achievement Service, Universal Credit partnership, and the Public Protection Collaboration.

What we found

- 47 Our 2016 review finds that the Council is developing effective arrangements to support partnerships and collaborations, and recognises it needs to do more to improve the consistency of its information management and reporting arrangements. We set out below our detailed findings to support this conclusion.

The Council can articulate what it intends partnerships and collaborations to deliver overall but there are opportunities to clarify specific intended outcomes

- 48 Senior managers are clear about the benefits that they intend partnerships and collaborations to deliver. The Council is actively creating and pursuing new collaborations, and a more robust procurement process is helping managers build capacity and find efficiencies through partnership and collaborative working. These positive actions are resulting in partnership arrangements that focus on addressing difficult challenges that need a longer-term solution.
- 49 Business cases and reports on proposed partnerships do not always clearly set out the intended improved outcomes from working in partnership. An example of the Council setting clear objectives was in a report to Executive in December 2015 about its proposed partnership with Heads of the Valleys Organics. In addition to setting out objectives from the partnership, this report set out the key elements of the outline business case, referenced key corporate strategies, and identified timescales and a reporting pathway. However, in another example, although the Council's report to its Executive in September 2015 set out the Universal Credit Delivery Partnership Agreement and contains clear intentions and a positive business case to improve processes and procedures, it lacks the clear outcomes and wider benefits from this arrangement.

The Council is starting to formalise its partnership and collaborative working but does not yet manage these arrangements strategically

- 50 The Council does not have a corporate framework through which it directs and manages its roles in partnerships and collaborations. Officers and Member understand the importance of partnership working and can clearly articulate the Council's approach, aims, resources, and performance management arrangements in this respect. However, the Council retains limited information about partnerships such as the resources it invests in the partnership, the duration of each partnership and what each partnership is intending to achieve. It is unclear therefore how the Council strategically manages partnership working.
- 51 Officers are developing arrangements that they intend will more effectively support partnership and collaborative working. In particular, officers aim to retain better information on its 61 partnerships and collaborations and to report on partnership performance more consistently across directorates.
- 52 The Council is improving its understanding of the benefits of partnerships and collaborations. For example, it has assessed the potential benefits from its membership of social services IT integration across Wales which it expects to

provide better local, regional, and national real live data. Similarly, the Council has evaluated the benefits it receives from the Aspire¹ partnership.

- 53 The Council is starting to assess the financial benefits of its significant partnership activity. Examples include quantifying the ‘tourism boost’ to the local economy and the impact of town centre regeneration, tracking grant aid, and number of jobs created in line with its expectations in the Council’s Destination Plan.

The Council is using improved information to support decision making when considering partnership and collaborative arrangements, but continues to operate on a relatively short term basis

- 54 The Council uses local and national intelligence and data to shape systems and processes to support partnerships and collaborations. It has learnt from its experience of working with Enterprise Zones, which lacked outcome measures; the Council now sets more realistic targets for creating better paid jobs and improving employment skills. In addition, by commissioning services from the Data Unit Wales the Council is tracking legislation and sharing intelligence more effectively.
- 55 The Council is benefitting from better planning around partnerships. It considers risks before entering partnership arrangements, assesses the financial benefits and is clear about the conditions that would prompt the Council to leave a partnership. Blaenau Gwent Council is also developing a better awareness of how to support social enterprise and community led partnerships.
- 56 Partnership and collaboration agreements contain some common shortcomings. For example, the Council is not always clear about the intended long term financial advantages and operational benefits for users from the partnerships and collaborations. In addition, some agreements are renewable annually, which make it harder for partners to build capacity and plan.

The Council is improving its partnership and collaborative working, and wants to tackle weaknesses in information management and reporting

- 57 The Council is improving its arrangements by evaluating the effectiveness of partnerships and collaborations. The Council is assessing the benefits of the former Local Service Board (LSB), to help inform the new Public Services Board (PSB). It has updated all the terms of reference for the new PSB Officer Network and the thematic groups to reflect this learning. In addition, the Council is developing its managers so they have a better understanding of commercial

¹ The Shared Apprenticeship Programme (ASPIRE) within Blaenau Gwent is a strategic project with a number of partners; Ebbw Vale Enterprise Zone, Education, Industry and Blaenau Gwent County Borough Council. The programme is set to enhance skills development within the manufacturing and engineering companies to develop business growth; whilst tackling unemployment and providing aspirational opportunities for young people across the local authority.

awareness, collaborative working, and user focus. As a result, the Council is in a better position to understand and then contribute to more effective partnerships.

- 58 A number of partnerships are delivering positive outcomes. Examples include those developing tourism, town centre regeneration, job creation, and those generating 'green' energy and supporting frail people in the community.
- 59 However, opportunities exist to improve the Council's approach to partnership and collaborative working. The Council could do more to incentivise or reward good performance through partnerships. For example, through innovative contract arrangements, grant or financial assistance, joint publicity and promoting success, and sharing resources.
- 60 Senior managers and Members are aware of the need to improve the quality and timeliness of data gathering and the heavy reliance placed on finding council staff with the right skills and experience to manage partnership activity. A wide variety of data and information is available and the Council recognises it will not always have the capacity and systems to maximise its use and impact. Executive and Committee reports about partnerships and collaborations generally lack comparative data, and few performance baselines are set out. For example, the update reports to the Executive Committee on the collaboration on trading standards and licensing dated 27 April 2016.

Data quality

Whilst data quality has improved, there continues to be inadequate data collection arrangements and some incorrect reporting of performance

What we did and why

- 61 In January 2016, we reviewed a sample of eight of the Council's performance indicators (PIs) for the reporting period April 2014 to March 2015. We reviewed data collection, recording and reporting arrangements. This covered five National Strategic Indicators (NSIs), one Public Accountability Measure (PAM), and two local indicators specific to the Council. Three of these indicators had previously been reported as inaccurate in our March 2015 Data Quality Review.
- 62 In January 2016, we found:
- four indicators had arrangements that were fit for purpose which produced accurate end of year performance data;
 - weaknesses in the arrangements for three performance indicators resulted in inaccurate performance reporting; and
 - we were unable to review the accuracy of one performance indicator, as the Council was unable to produce any data records and data capture information for 2014-15.
- 63 As the Council had already collected much of the 2015-16 data by January 2016, it had little opportunity to change its collection arrangements for that reporting year. However, it did have sufficient time to ensure that it had correctly applied definitions and included all relevant data sources by the data submission deadline of 31st May 2016.
- 64 In January 2017, we followed up our January 2016 review findings by reviewing:
- the Council's progress in improving processes and controls for the collection, processing and analysis of data; and
 - the accuracy of PI data reported in 2015-16 for the following PI's that we found the Council had inaccurately reported for 2014-15:
 - Local PI - number of financial efficiency projects behind schedule;
 - LCS/002 - the number of visits to local authority sport and leisure facilities during the year per 1,000 population where the visitor will be participating in physical activity;
 - STS/005b - the percentage of highways inspected of a high or acceptable standard of cleanliness; and

- STS/006 - the percentage of reported fly tipping incidents cleared within 5 working days.

What we found

65 Our 2017 review finds that whilst data quality has improved, there continues to be inadequate data collection arrangements and some incorrect reporting of performance. We set out below our detailed findings to support this conclusion.

The Council has taken action to improve data quality but these arrangements are not yet fully effective

- 66 The Council has now centralised responsibility for verifying all performance indicators. The Corporate Performance Team now carries out this work with staff in directorates to review and improve data collection and recording processes. The Corporate Performance Team reviewed the four performance indicators reported inaccurately for 2014-15 and has identified further data inconsistencies, which it is taking action to improve.
- 67 The Corporate Performance Team has assessed which performance indicators the Council is at most risk of reporting inaccurately and shows that the Environment and Regeneration Directorate is the highest risk. The Council, supported by Data Unit Wales has reviewed PI's in this Directorate to identify areas for improvement in their collation and reporting.
- 68 Whilst the Council anticipates that the action it has taken will improve data quality in 2016-17, weaknesses still existed in the reporting of 2015-16 performance. Some of the inaccuracies identified in the review were in the compilation of the data at year end and strongly suggests that controls are not in place to ensure that officers have correctly understood and complied with the definition.

The Council accurately reported 'the number of financial efficiency projects behind schedule'.

- 69 In January 2016, we identified that whilst the data collection system to record the number of financial efficiency projects behind schedule was adequate, the Council had incorrectly calculated and reported the PI.
- 70 In January 2017, we reviewed the Excel spreadsheet used to capture performance information. Officers have added a formula to the spreadsheet that generates the appropriate blue, red, amber or green (BRAG) status of each project to indicate whether the project is on schedule or not. This enhancement to the system for 2015-16 strengthens the system output, as there is no manual input of data beyond the lead officer inputting the end of year spend details.
- 71 We selected six Financial Efficiency Projects for sample testing and all had the correct application of the BRAG status.

The data system used to record the number of visits to local authority sport and leisure facilities has weaknesses, which the Council must address

- 72 We reviewed the PI for ‘the number of visits to local authority sport and leisure facilities during the year per 1,000 population where the visitor will be participating in physical activity’ in March 2015, January 2016 and January 2017. We identified in each review that officers had incorrectly interpreted the national PI definition resulting in an inaccurate recording and reporting of performance.
- 73 Whilst the Council has improved its application of the national definition by including visitor numbers from the golf course and outdoor sports pitches, which it had omitted in previous years, we found examples where the Council was still not adhering to the definition. In particular we found that:
- the national guidance for this PI includes Standard National Multiplication Factors that councils must follow when recording visits from multi-user bookings. However, the data provided to support this PI showed that the national guidance has not been correctly followed;
 - spectators and people visiting sports centres to ‘shower’ have been included within the final data submission despite the national definition explicitly stating that visitors to any facility, who do not participate in physical activity, must be excluded; and
 - the Council incorrectly recorded the number of visits to the golf course and golf driving range. The PI incorrectly reported the number of visits to the golf course for 2014-15, rather than for 2015-16.

The data system used to record the standard of cleanliness of highways has weaknesses which the Council must address

- 74 We reviewed the PI for ‘the percentage of highways inspected of a high or acceptable standard of cleanliness’ in March 2015, January 2016 and again in January 2017. In 2015 and 2016, we found that the Council had inaccurately reported the PI because staff had incorrectly applied the definition.
- 75 In January 2017, we again identified incorrect application of the definition as follows:
- officers expressed concern that the Council may not be surveying the required 2% of adopted roads. The current list of adopted roads contains many duplicates and they have not undertaken a review of the list.
 - the Council had undertaken and reported six surveys in the correct reporting year in 2015-16, but had not included the independent survey results from Keep Wales Tidy in the data submission.
 - the Council reported the 2015-16 end of year performance as 96.7%. However, adhering to the national definition by including the results of the Keep Wales Tidy survey, the end of year performance was 92.8%. Therefore, the Council has overstated its performance.

The data system used to record how quickly the Council deals with fly tipping has weaknesses which the Council must address

- 76 In January 2016, we identified that the Council had not retained the original records used to calculate the 2014-15 performance for 'the percentage of reported fly tipping incidents cleared within 5 working days'. We were therefore unable to test whether the Council had accurately recorded, calculated and reported the PI.
- 77 In January 2017, we identified the same issues. Due to officer's concerns regarding the lack of audit trail and lack of supporting evidence, the Council has not reported end of year performance for 2015-16 to Data Unit Wales. Therefore, we were again unable to test any of the arrangements to record and report performance.

Wales Audit Office
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

Swyddfa Archwilio Cymru
24 Heol y Gadeirlan
Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn testun: 029 2032 0660

E-bost: post@archwilio.cymru

Gwefan: www.archwilio.cymru

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Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.