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

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The Council has generally effective and inclusive governance arrangements for determining service change.

Summary report

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1 Governance can be defined as 'the process by which public bodies conduct their affairs and manage public resources'. Good governance refers to the management of government in a manner that is essentially free of abuse and corruption, and with due regard for the rule of law1.

2 Good governance is essential for the effective stewardship of public money and the continual 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. Good governance is critical when determining 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 and this review will provide councils with a baseline from which to plan to strengthen governance.

4 The focus of this review is on the effectiveness of Wrexham Council Borough Council's (the Council) governance arrangements for determining service changes. We define service change as any significant change in delivering services and/or any significant change in how services are experienced by external service users. Changes could include, for example, 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's) 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 September to November 2016, we sampled a range of significant service change proposals and assessed the Council's approach in taking them forward to decision making.

6 In this report, we conclude that the Council has generally effective and inclusive governance arrangements for determining service change.

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

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

Proposal for improvement

7   It would be unusual if we did not find things that can be improved and, where we do, the Auditor General can take a variety of steps. In this case, a proposal for improvement has been made and we would expect the Council to do something about it.

Exhibit 1: Proposal for improvement

Proposal for improvement
P1   The Council's governance arrangements could be strengthened by explicitly defining the role that Scrutiny should have in reviewing the impact of individual service changes – and where appropriate, incorporating this into Forward Work Plan(s).

Detailed report

The Council has generally effective and inclusive governance arrangements for determining service change

The Council has a clear vision and strategy for determining service change proposals, with clear objectives that are influenced by stakeholders

8   Wrexham County Borough Council (the Council) has a clear framework for determining service change proposals linked to its strategic vision. The Council recognised that an incremental approach to making savings, which it had relied on in previous years, was not sustainable and that it needed a more transformational programme of change. This led to the development of a Reshaping Programme that reflects feedback from stakeholder consultation.

9   The Council has a long record of publishing the outcomes of its consultation and engagement initiatives[3]. From 2011, the original 'Understanding our Customers' report evolved into a 'We're Listening' report that explains how the Council has responded to public opinion. Feedback gathered by the Council, particularly from 2013-14 onwards, has influenced its vision for change and formed the foundations for the Reshaping Programme.

10   In 2014-15, the Council began working with a Reshaping Partner, an organisation with experience of developing similar approaches elsewhere, to add pace to the change process and support development of the Reshaping Programme. The Programme reflects four Reshaping Principles, collectively known as the Operating Model, that covers:

- customer management: ensuring that people with the right skills, knowledge or information are available for customers that contact the Council;
- service delivery: ensuring that services provided directly or indirectly by the Council are of a high quality;
- corporate support: ensuring the Council works efficiently to achieve the same or better outcome; and
- strategic core: ensuring the central functions that support service delivery remain appropriate to the needs of the organisation as it evolves.

11   The Reshaping Programme is now helping the Council to improve efficiency and reshape services, following fundamental reviews of the services it provides and the supporting activities. The Reshaping Programme jointly focuses on improving

[3] **The results of all major corporate consultation and engagement projects completed by the Council since 2005**.

services and reducing costs to promote greater efficiency and effectiveness. Outcomes from the internal reviews include proposals for reprioritising services, reducing or ceasing services, alternative ways of delivering services and for working more effectively with other organisations.

12   Objectives for service change proposals arising from the internal reviews are sufficiently clear and understandable. Where appropriate, the objectives are subsequently refined prior to final decision and implementation. The Reshaping Programme includes comprehensive arrangements for challenging by scrutiny how well each service area aligns with local and national priorities, as well as the arrangements for service delivery.

13   The Council is one of 11 local authorities working with the Welsh Local Government Association (WLGA) as an early adopter for the requirements of the Well-being of Future Generations (Wales) Act (the WFG Act). This is helping to raise the profile of the WFG Act within the Council and ensure that decisions about service change increasingly take account of its wellbeing objectives and the sustainable development principles.

Governance and accountability arrangements for service change decision-making processes are clearly defined and well understood

14   Members' and officers' roles and responsibilities in relation to decisions about service change are clear and well understood. The Reshaping Programme's guidance sets out the Council's approach to service change and echoes the generic decision-making arrangements within the Council's Constitution and Corporate Governance Code.

15   The Constitution and the Corporate Governance Code provide clear job descriptions for elected members as well as transparent arrangements for delegated decision-making. Members and officers report that this level of clarity, reinforced by the Code of Conduct for Members, helps to raise awareness of roles and responsibilities.

16   The Council also has robust arrangements to ensure that service change proposals comply with constitutional and legal requirements, such as Standing Orders and Contract Procedure Rules. For example, the Reshaping Programme Board, which includes members of the senior leadership team, screens draft proposals for compliance.

17   The Council Plan 2016-17 (the Plan) explains where the Council intends to focus its energies and resources and how it intends to contribute to the county's wider Community Strategy. The Plan also emphasises the Council's commitment to equality and diversity as it plans for and makes changes to '…reshape services to meet the financial challenges ahead whilst prioritising the most vulnerable'. The Plan expresses this commitment as one of four key aspects of the Council's culture, where; 'citizens, customers and equality are at the centre of everything we

do' and through the Operating Model, which provides the framework for considering service change.

18   The Council has comprehensive arrangements to promote and embed equality and diversity, supported by a Community Diversity team and championed by a chief officer and a member of the Executive Board. Despite the changes already taken to mainstream equality, diversity and the new WFG Act, the Council is not complacent. It recognises the need to continue refining and strengthening the approach, particularly as it introduces changes to the way the Council provides some services. For example, the Council's latest annual review of its Strategic Equality Plan explains how the Council has fulfilled its public sector equality duty. The review also identifies opportunities to strengthen its approach to meeting the duty, such as continuing to improve the quality of Equality Impact Assessments and provide targeted equality training to all scrutiny committees.

Options appraisals relating to service change appear comprehensive and transparent, whilst retaining confidentiality where appropriate

19   The Council's approach to service change begins with a review of potential options, which is then shortlisted against an agreed range of criteria, prior to formal options analysis. The Council's Code of Practice for Project Management provides guidance for officers on how to develop proposals with a range of options. A project management handbook provides officers with guidance of evaluating options, including cost projections and resource implications.
This guidance helps to promote a consistent approach to option analysis.

20   The Council uses comprehensive criteria to appraise service change proposals, using an 'opportunity-scoring template'[4]. The resultant matrix provides a consistent approach for scoring and prioritising opportunities and promotes robust internal challenge. It also helps the Council to ensure that the final short-list of opportunities are tangible, achievable and support its overall strategic direction. The Reshaping Programme governance arrangements include a Governance Board that ensures the criteria used to appraise individual service change proposals are appropriate.

21   The analysis of service change proposals takes account of stakeholder views, gathered as part of the Council's consultation and engagement arrangements. The Council provides opportunities for stakeholders to influence service change proposals by engaging at an early stage of the process, followed, where appropriate, by more focused engagement as proposals are refined.

[4] The opportunity-scoring matrix assigns a weighting to each of the criteria according to its importance to the Council and typically covered budget savings; time to implement; impact on service users; alignment with reshaping principles; and capacity and capability to deliver.

22   For example, during late 2014, the Council's Difficult Conversations[5] survey explored stakeholder appetite for proposals intended to save some £11 million from the 2015-16 budget. The Council repeated the Difficult Decisions consultation process in late 2015, expanding it to gather feedback on the emerging Reshaping Programme and, in particular, to inform the decisions needed to support some £45 million of savings over the following three years.

23   The Council promotes effective decision-making by providing decision-makers with appropriate information about each of the options. The depth of information provided increases as the proposal matures from outline to formal business case.

24   In addition to the Council's formal scrutiny committee arrangements, officers at corporate and departmental level have opportunities to challenge and scrutinise proposals and comment on options appraisals. The Council has also benefitted from the wider experience of service change of its reshaping partner; the working relationship included constructive two-way challenge and helped to maintain the momentum of the Reshaping Programme.

25   Decisions about service change proposals that we reviewed were transparent and properly recorded within Executive Board and Council meeting minutes. The Constitution identifies the procedures to ensure that decision-making is transparent and accountable to local people and other stakeholders. These arrangements include 'open and effective mechanisms for documenting evidence for decisions that record the criteria, rationale and considerations on which decisions are based'.

26   The Council strives to balance transparency and openness with the need to maintain confidentiality. For example, Council policy and decision-making takes place within meetings that are open to the public, except where exempt or confidential matters are discussed.

27   Public access to documents is generally good, but has occasionally been constrained by inaccessible hyperlinks to supporting documents, within a minority of reports. The Council has acknowledged this weakness and recently introduced a more robust report screening process. This should ensure that all documents referred to in public reports are accessible to both internal and external stakeholders.

28   The Council takes explicit account of sustainable development principles during the analysis of service change options. However, as an early adopter of the WFG Act, the Council recognises that, like every other public body in Wales covered by the Act, the learning curve is steep. This means the Council will need to continue refining its approach until its arrangements to promote sustainable development are fully effective. For example, the latest Annual Governance Statement action

[5] The 2015 Difficult Decisions survey generated responses from over 1,700 stakeholders, who were advised that 'This (consultation) booklet contains initial proposals for budget savings and income generation ideas...These proposals are at an early, formative stage and we are keen to hear your views on them before taking them any further…'

plan includes actions to further integrate social and environmental wellbeing considerations into its strategic decision-making.

The Council has clear arrangements that encourage stakeholders to engage with the decision-making process

29 The Council has effective arrangements to engage and inform stakeholders in decision-making about service change proposals and their potential implications. For example, in addition to engagement workshops for Council staff and for members, the Council has sought to engage with external stakeholders. The 2016-17 Difficult Decisions Consultation canvassed views from a range of stakeholders including Town and Community councillors, tenants' forum, Wrexham Over-50s Forum, the Equality Impact Assessment Group and Diversity Forum, representatives from the Senedd yr Ifanc[6] and with young people through workshops with schools and youth groups.

30 The Council has also established a Reshaping Services Equality Group to support the development of proposals likely to impact on external stakeholders. The Group provides support for officers undertaking Equality Impact Assessments and encourages closer links between departments and individuals and communities with protected characteristics. During 2015-16, the Group provided support during the development of 11 service change proposals.

31 The Council has also engaged with service user groups to explore individual service change proposals in more depth, such as exploring the implications of changes to the Telecare[7] initiative with existing and potential service users.

32 The Council's efforts to engage with internal and external stakeholders have had mixed success. During the early stages, some stakeholders have expressed concern about the lack of specific detail on some service change proposals, which made it difficult for them to provide informed feedback and challenge. The Council addressed these concerns by expanding the detail provided, as individual proposals mature from initial concept to detailed business case.

33 As well as conducting an overarching consultation about the portfolio of service change proposals, the Council arranges additional proposal-specific consultation. The Council's Difficult Decisions document advises stakeholders that '…there will be more detailed consultations conducted with service users for some of these

[6] The Senedd Yr Ifanc Wrecsam is the Wrexham Youth Parliament. The Senedd consists of 70 Young People aged 11 to 25, elected by their peers to represent a group or project. The Senedd works on countywide issues that affect the Young People of Wrexham. The Senedd meets four times a year in the Council Chambers in the Guildhall.

[7] Telecare: a service offered to vulnerable people, including older people, adults and children with physical disabilities, learning disabilities or mental health needs or long term health conditions. It provides a 24 hours 7 days a week telephone link between the service users and a response centre, through a home alarm unit and a range of sensors and includes mobile response.

proposals – which will also contribute to the decision making process'. This approach provides stakeholders with some reassurance about future opportunities to provide feedback and/or influence the shape of service changes.

34   All reports considered by the Council, the Executive Board and associated committees, together with the minutes of decisions taken are, unless confidential, available on the Council's website. All Council, Executive Board and Planning Committee meetings are webcast as live and recorded events. This helps to reinforce the transparency and accountability of Council decision-making for stakeholders unable to observe meetings in person. Although capacity constraints prevent the online broadcast of scrutiny meetings, the Council is exploring the scope to include future committee meetings in its online coverage.

35   The format of the Council's website generally allows interested parties to find publicly available information about service changes. Documents relevant to forthcoming decisions, other than those containing sensitive or commercially confidential details, are accessible and are generally well signposted.

36   During 2015-16, the Council has taken action to better integrate the forward work plans for Executive Board, Scrutiny, and Council meetings. The Council expects this to improve the co-ordination of committee agendas and avoid unnecessary delays to the Reshaping Programme and more generic decision-making. Actions that streamline the Council's decision-making processes, while maintaining robust governance arrangements, help the Council to introduce service changes promptly and realise the anticipated benefits of the changes as soon as practicable. For example, the Council reports that it achieved 98% of its 2015-16 planned savings in-year and anticipates achieving all of its 2016-17 savings targets.

37   Evidence from our fieldwork suggests that the responsibility and accountability for service change-related decisions are generally clear, particularly to internal stakeholders. The Council uses a range of mechanisms to explain the decision-making process to stakeholders, including committee meeting minutes, to help them appreciate where responsibility and accountability lie. For example, the Friday Bulletin ('Stuff you should know') helps to raise staff awareness of proposals and forthcoming changes. Structured and more formal support from the HR Business partner model reinforces the informal approaches to raising staff awareness.

38   The Council also provides feedback to external stakeholders, explaining where their views have influenced decisions, or where not everything suggested by the public was feasible. The Council's 'You Said, We Did' report, available online, profiles the final decisions made about each of the proposals presented for consultation.

Arrangements to monitor the impact of service change decisions are generally effective, but the role of scrutiny in the review process is not explicitly defined

39   The Council routinely identifies what it needs to monitor and evaluate in order to assess the impact of its decisions. Service change business cases explain the arrangements for monitoring the impact of service change decisions.
This covers how the Council expects to monitor success, involving explicit success criteria appropriate and proportionate to the individual service change.

40   The monitoring process reflects formal project management principles and includes a 'benefits tracker' element that helps to embed the principles.
The Programme Board and senior leadership team receive progress reports (known as Reshaping Highlights) periodically as changes are implemented. Where appropriate, the Council develops and implements comprehensive transition plans, developed with input from key stakeholders. This approach is intended to maintain continuity of delivery and minimise any temporary impact on service users.

41   Cabinet and Council reports explain how financial savings will be monitored and reported. The Council's generic financial planning, monitoring and reporting arrangements are comprehensive and robust. This approach echoes the arrangements for efficiency savings generated by service changes.
For example, Finance Business Partners and relevant Service Managers are responsible for routinely monitoring the finance-related impact and outcomes.

42   Scrutiny committees follow clear protocols for agreeing the topics to scrutinise, often influenced by the forward work programme of the Executive Board. However, the Council does not routinely and systematically identify how and when scrutiny committees should review the impact of service changes.
The implicit assumption is that committees will review the impact of service changes as part of the routine scrutiny process. A more structured approach to scrutinising the impact of changes, particularly the impact on service users, might help the Council to identify and address any shortfall in performance, capitalise on unanticipated benefits, or address unintended impact.

The Council routinely reviews the effectiveness of its decision making arrangements

43   The Council regularly reviews the effectiveness of its decision-making arrangements, driven by officers responsible for developing and maintaining the governance environment and the Head of Internal Audit's annual report.
This review covers all activities, not just service change-related decisions. The review also takes account of feedback from the external auditor and other review agencies and inspectorates.

44   The Council also anticipates and addresses potential problems within its decision-making arrangements. The latest Annual Governance Statement includes action to

ensure that the governance framework remains effective and is not adversely affected by the Programme.

45 The Council's Risk Management Group regularly reviews processes to identify record and monitor risks, including the annual principal risk register review. The strategic focus of the Senior Leadership Team also provides opportunities to identify potential or emerging major risks. At a project-specific level, the Council's project management handbook provides project-related guidance for officers on managing risk during project development and implementation.