

Springing Forward – Monmouthshire County Council

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Summary report

Summary

What we reviewed and why

- 1 As the world moves forward, learning from the global pandemic, this review has looked at how the Council is strengthening its ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.
- 2 We reviewed the Council's arrangements for managing its assets and workforce.
 - a. for assets, our primary focus was on office accommodation and buildings from which the Council delivers services to its residents; and
 - b. for workforce, our focus has been on the challenges highlighted during the pandemic that have exacerbated some long-standing workforce issues.

We looked at how the Council strategically plans to use its assets and workforce, how it monitors their use and how it reviews and evaluates the effectiveness of its arrangements.
- 3 When we began our audit work under the Well-being of Future Generations (Wales) Act 2015 we recognised that it would take time for public bodies to embed the sustainable development principle, but we also set out our expectation that over the medium term we would expect public bodies to be able to demonstrate how the Act is shaping what they do. It is now approaching seven years since the Well-being of Future Generations Act was passed and we are now into the second reporting period for the Act. Therefore, we would now expect public bodies to be able to demonstrate that the Act is integral to their thinking and genuinely shaping what they do.
- 4 This project had three main aims:
 - to gain assurance that the Council is putting in place arrangements to transform, adapt and maintain the delivery of services;
 - to explain the actions that the Council is taking both individually and in partnership to strengthen its arrangements as well as further embed the sustainable development principle; and
 - to inspire the Council and other organisations to further strengthen their arrangements through capturing and sharing notable practice examples and learning and making appropriate recommendations.
- 5 This is important because the Council invests considerable sums in its building assets and workforce. Some key information from 2020-21 is show in **Exhibit 1**.

Exhibit 1: key facts and figures relating to building assets and workforce

The table below shows some key facts and figures relating to the Council's building assets and workforce in 2020-21¹.

Number of Council buildings owned in 2020-21 ²	186
Value of property, as at 31 March 2021 ³	£224m
Number of staff ⁴	3360 (2672 FTE)
Spending on workforce ⁵	£132m
Percentage of staff who are male/female ⁶	27% / 73%
Percentage of staff who work part time/ full time ⁶	47% / 53%
Percentage of staff aged over 50 years ⁶	43%
Percentage of staff who left the Council ⁶	14%

¹ Staff figures are based on headcount not FTE

² Source: Provided by the Council

³ Source: Provided by the Council

⁴ Source: InfoBaseCymru

⁵ Source: 2020-21 Statement of Accounts – employee benefits expenses

⁶ Source: InfoBaseCymru

- 6 The COVID-19 pandemic has impacted on demand for buildings and the way that staff work. This report examines some of these impacts and the way that the Council benefits from the positives and mitigates risks from the negatives when planning future service delivery.
- 7 We undertook the review during the period November 2021 to May 2022.

What we found

- 8 Our review sought to answer the question: Is the Council's strategic approach strengthening its ability to transform? In doing this work we have identified some of the direct impact of the pandemic as well as some operational and governance issues exacerbated by the pandemic.
- 9 Overall, we found that the Council is actively considering future ways of working and the potential impact on its assets and workforce, and now needs to articulate its longer-term vision and plan in its new people and asset management strategies.
- 10 We reached this conclusion because:
- the Council is actively considering how future ways of working might impact its asset needs and it recognises there are opportunities to strengthen its application of the sustainable development principle and put it at the heart of its new asset management strategy;
 - the Council has appropriate policies and structures in place to manage its assets, but capacity is an issue and there has been limited progress to develop a regional strategic approach to assets;
 - asset management performance reporting arrangements are currently underdeveloped, but the Council expects new committee structures to provide increased opportunities for scrutiny;
 - the Council already operates an agile working model and has developed a strong evidence base to inform its new People Strategy;
 - the Council is reviewing its structure to manage workforce and has plans to further develop its workforce planning arrangements and help address skills shortages; and
 - workforce data and trends are reviewed internally and senior officers are well informed of workforce issues, but the pandemic has impacted elected member scrutiny of the People Strategy.

Recommendations

Exhibit 2: recommendations

The table below sets out the recommendations that we have identified following this review.

Recommendations	
Plan	
R1	<p>In developing its new asset management and workforce strategies, the Council should build on its experience of the pandemic and place the sustainable development principle at the heart of its considerations, and specifically ensure it:</p> <ul style="list-style-type: none">• takes account of longer-term trends that may affect service provision and the efficient use of assets and workforce.• sets out its intended outcomes over the short, medium and longer term.• takes account of how the strategies impact on the objectives of other organisations in the county and regionally.• takes account of the views and needs of staff, service users and partners. In doing so the Council should seek to understand how, where and when users want to access services post-COVID-19 and how that might influence future asset needs and workforce planning.• collaborates with public sector partners across Gwent to evaluate the potential benefits of developing a strategic long-term approach to a single public estate.
Do	
R2	<p>As the Council begins to implement its new strategies, it should seek to build on existing examples of working with partners by developing a more systematic approach to considering opportunities for collaboration.</p>
Review	
R3	<p>To support regular scrutiny and decision-making by elected members and help provide assurance over value for money, the Council should ensure that the outcomes set out in its workforce and asset management strategies are supported by SMART performance measures, and that benchmarking is used where appropriate.</p>

Detailed report

Assets

The Council is actively considering how future ways of working might impact its asset needs and it recognises there are opportunities to strengthen its application of the sustainable development principle and put it at the heart of its new asset management strategy

11 In reaching this conclusion we found that:

- the transition to homeworking brought about by the pandemic was relatively smooth for the Council. Prior to COVID-19, many staff already worked in an agile manner and the Council's office buildings were based on a ratio of one desk for every two members of staff. As a result, the Council already had the IT infrastructure in place to support staff to work remotely and a culture where staff were not expected to be in offices at all times.
- prior to COVID, the Council had two main office buildings – County Hall in Usk and Innovation House in Magor, having previously rationalised its estate. It was in the process of moving staff from Innovation House into County Hall when the pandemic struck. This move has since been completed and the Council has transferred Innovation House from its operational portfolio to its investment portfolio to use the building to generate income. Initially, this will be through letting the office space and the Council has sought external advice on how best to configure the building to meet current market demand.
- the Council is actively considering what the future workplace will look like and is following developments in the public and private sector. Agile working will continue, with non-customer-facing staff having the flexibility to work wherever suits their circumstances and job role, but the Council does not plan to make any further decisions around its building assets until there is more certainty around its future building needs. It told us that when it feels suitably informed, any decisions around future use of, and rationalisation of, assets will be made in the context of its corporate priorities, placemaking plans and town centre regeneration.
- in the meantime, the Council is adapting its office spaces to better suit current ways of working. For example, the Council is reconfiguring County Hall to provide more collaborative spaces in response to regular staff feedback and data from the desk-booking system implemented during the pandemic. It is also investing in new audio-visual and digital equipment to improve hybrid meetings for staff, having already installed new equipment in the Council chamber for hybrid committee meetings. The Council was able to adapt swiftly to hybrid meetings and has shared its experiences with neighbouring local authorities to inform their work in this area.

- decarbonisation is a key driver for change and the Council's asset management strategy and latest plan have several actions for greening its estate, including refit work, developing a hydrogen fuelling station and EV charging installations, and creating more solar farms. We also saw evidence of integrated thinking in relation to assets and decarbonisation: a review of the Passenger Transport Unit identified the need for a fit-for-purpose depot infrastructure. As a result, officers are considering suitable locations for a new depot and exploring how the new depot infrastructure can help contribute to the Council's net zero plans by linking the depots to the Council's existing and future solar farms so the fleet can be powered by renewable energy.
- the Council also has ambitions to use its land and unused buildings to help deal with local challenges such as affordable housing and accommodation for homeless people. Officers are exploring options but planning restrictions on new developments due to high phosphate levels in the county's rivers⁷ pose a significant challenge. The Council is working with the Welsh Government to find a solution.
- the Council's vision for its assets is clearly set out in its Asset Management Strategy 2018-22, which is aligned to other key plans and strategies, such as the Corporate Plan and digital and people strategies. However, the timing of our review, in the year the SAMP expires, means the Council's future vision for its assets is not currently articulated in a long-term, forward-looking strategy. Despite this, the current strategy's key themes remain valid in the current context – something the Council considered when developing its asset management action plan for 2021-22.
- these asset management action plans are intended to be reviewed annually to ensure they remain up to date and relevant, but the pandemic disrupted this aspiration. An up-to-date annual plan was in place at the time of our fieldwork in early 2022, however, and work to review the asset management strategy is scheduled for the autumn. By this point the new Corporate Plan will be ready, enabling the Council to align the two documents.
- officers told us that the new strategy will look ahead to the next five years and is likely to be closely linked to the Council's placemaking agenda and support town centre regeneration and carbon reduction plans. Key challenges that the strategy will recognise include flooding and the phosphates issue referred to above. Another key challenge will be funding to take forward plans for net zero and defining the Council's role in influencing the decarbonisation agenda in the wider community. Plans to engage on the new strategy are not yet fully developed, but the Council aims to consult stakeholders on a draft version of the new strategy and use feedback to inform the final version.

⁷ NRW has issued planning guidance to ensure that the water quality of the Usk and Wye rivers does not deteriorate any further. This means that development proposals will only be accepted if they result in phosphate neutrality or betterment.

- as the Council begins to articulate its future vision for assets, both through its upcoming Asset Management Strategy and its work to understand future asset needs, it should place the sustainable development principle at the heart of its considerations. Some of the ways it could consider doing this include:
 - ensuring the strategy is sufficiently long term in its vision. The WFG Act places a duty on public bodies to consider the long term. Although the new strategy is likely to cover a five-year period, aligning it with the Corporate Plan and MTFP, the Council should also consider emerging and longer-term trends to help it plan and identify where it would like to be over the longer term.
 - considering how it can meaningfully gather the views and understand the needs of staff, service users and other stakeholders in relation to assets and use that to inform its strategy. Building on the work it has done to engage with staff and understand their experiences of working during the pandemic, the Council should also seek to understand how, where and when users want to access services and how that has changed since the pandemic.
 - continuing to integrate the Council's key policies and plans so they support delivery of priority outcomes.
 - collaborating with public sector partners across Gwent to evaluate the potential benefits of developing a strategic long-term approach to a single public estate. Where possible, the Council should also consider how its policies and plans impact on or could be considered in conjunction with the objectives of other organisations in the county and regionally.
- the Council should also incorporate into the strategy relevant learning from the pandemic – both its own and that of other organisations and developments it has been following.

The Council has appropriate policies and structures in place to manage its assets, but capacity is an issue and there has been limited progress to develop a regional strategic approach to assets

12 In reaching this conclusion we found that:

- in 2018, the Council implemented a corporate landlord model, centralising asset management and development. This arrangement provides improved and more integrated understanding of the Council's overall asset portfolio, helping to support decision making.
- a Capital and Asset Management Working Group considers the Council's strategic approach to assets and makes recommendations to SLT on capital investment. Representatives from across the Council sit on the group, which is chaired by the Assistant Head of Finance. The group was formed by merging previously separate working groups for capital and accommodation, providing a more integrated approach to asset management and investment.
- the Council can demonstrate several examples of working collaboratively with partners including collaborative arrangements with Gwent Police on estates projects and shared accommodation with the health board. During the pandemic the Council also worked with health to establish vaccination and testing centres. The Council is also linked in with Ystadau Cymru and where necessary it works with external advisors, for example in relation to investment assets.
- but collaborative approaches to assets have also been negatively impacted by the pandemic. In 2020, public sector organisations in Gwent agreed to collaborate to identify strategic approaches to a One Public Estate. However, progress has been limited due to the operational demands of responding to the pandemic. As the Council and its regional partners develop their new asset management strategies, there is now opportunity to drive a collaborative approach to assets, as committed to in 2020.
- the Council has a good understanding of its assets. Building condition surveys are completed on a rolling five-year basis and used to inform decision-making and to identify and prioritise maintenance work. Options appraisals help inform decisions around surplus assets and there are clear procedures for disposals and community asset transfers in dedicated policy documents.
- annual investment is set out in the Council's capital programme and the Capital MTFP includes planned capital expenditure over a four-year period. The Council's strategic risk register identifies the potential risk that 'the authority is unable to deliver its political priorities or maintain key infrastructure and meet other identified pressures due to insufficient capital funding availability'. The register includes several mitigating actions, and maintenance and backlog issues are prioritised to make best use of limited budgets. Disposal and asset transfer of surplus assets help offset costs, and

investment in assets must demonstrate it will achieve revenue savings in order to be approved.

- the Council acknowledges that delivery capacity within Landlord Services presents a risk. During 2021-22, the service carried vacant posts with some technical posts proving difficult to recruit to. Increasing focus on decarbonisation has also impacted capacity within the service. The Council is looking at ways to address capacity issues, including greater use of graduate apprentice posts.

Asset management performance reporting arrangements are currently underdeveloped, but the Council expects new committee structures to provide increased opportunities for scrutiny

13 In reaching this conclusion we found that:

- the annual asset management action plan is incorporated into the Landlord Services business plan, which is reviewed quarterly in line with the Council's performance monitoring arrangements.
- we were told that the Senior Leadership Team and informal cabinet receive regular updates on assets, and senior officers we spoke to were well informed. However, we found limited evidence of opportunities for wider scrutiny of asset management performance. Decisions around assets go through the committee structure, and where appropriate these are informed by equality impact assessments. But we did not see any examples from the past two years of all asset-related actions and progress being drawn together in a single report to provide strategic oversight and assurance to committees.
- performance data is shared with the Welsh Government, but the Council does not regularly undertake its own benchmarking against other local authorities. It is, however, proactively considering how other organisations are responding to the impact of the pandemic on how and where people work and is reflecting on what could work or be trialled in Monmouthshire. Some benchmarking takes place when undertaking options appraisals on surplus assets to help understand an asset's potential value.
- the Council introduced a new committee structure in May 2022 and the revised remits provide an opportunity for strategic asset management performance to be scrutinised more regularly. As the Council develops its new strategy, it should consider the performance measures and objectives it could regularly report to elected members to demonstrate progress. It should also consider opportunities to benchmark its performance against other comparable organisations. This will help provide context to its own performance, provide opportunities for learning, and help provide assurance over value for money in relation to asset management.

Workforce

The Council already operates an agile working model and has developed a strong evidence base to inform its new People Strategy

14 In reaching this conclusion we found that:

- the Council has no immediate plans to make formal changes to the way its staff work because of its experience of the COVID-19 pandemic. As noted above, agile working arrangements were already in place at the Council prior to the pandemic. Non-front-line-service staff will continue to work in a hybrid manner with the autonomy and flexibility to work from a location that suits them.
- the Council has proactively sought staff feedback throughout the pandemic. Despite a culture of agile working already being in place, enforced home-working during lockdown was difficult for many and the Council focused strongly on staff wellbeing. It established multiple lines of communication with staff to help them feel connected and engaged, and to make them aware of wellbeing initiatives and support available to them.
- these arrangements also helped provide useful insight into staff experiences of remote, and then hybrid working, including how this differed across service areas. As mentioned above, staff feedback is being used to reshape office spaces and officers told us that ongoing engagement with staff at all levels will inform future decisions on workforce, including HR policy updates and workforce planning.
- so far, the Council is seeing that more staff are choosing to work away from the office than before the COVID-19 pandemic, although this differs across service areas. The Council plans to explore this further to understand whether the differences are cultural or have a practical role-related reason.
- the Council's People Strategy runs from 2018-2022 and so, as with the asset strategy, the timing of our review means the Council's long-term vision for workforce is not currently articulated in a strategy. However, the Council plans to begin developing its new strategy over the summer and work to inform the strategy is already under way. For example, in late 2021, the Council brought together a range of internal and external data sets in Power BI, providing SLT with a sophisticated suite of workforce data to inform strategy and decision making around workforce issues.
- the way the Council is starting to use this data demonstrates effective and integrated thinking around digital, workforce, assets and decarbonisation. For example, by mapping out where its staff live against other data, the Council has identified:
 - where poor broadband speeds are a barrier to home-working;
 - the carbon emissions generated by staff travelling into offices;

- where staff live in relation to existing Monmouthshire buildings, and where there are pockets of staff living close to other public sector buildings (for example in neighbouring counties), providing opportunities to discuss hot-desk arrangements with other councils as well as maximising use of its own estate.
- the People Working Group has been actively considering emerging trends such as a four-day working week, research on workforces of the future, and changes other organisations are making in relation to workforce due to the pandemic. As a result, officers we spoke to demonstrated good awareness of key challenges and drivers for change in relation to workforce, making specific reference to decarbonisation, digital services, remote working, an ageing workforce, skills shortages, and the as yet unknown long-term impact of COVID-19. The Council is therefore well placed to use this knowledge to inform its new strategies.
- the existing People Strategy demonstrates its alignment with other key Council documents, including its digital, asset and commercial strategies. It also sets out some examples of how it incorporates the sustainable development principle but there is scope to further strengthen this.
- the Strategy should be supported by an annual action plan but the pandemic has interrupted regular updates to the plan. The Council recognises the need to reinstate this process for the new strategy.

The Council is reviewing its structure to manage its workforce and has plans to further develop its workforce planning arrangements and help address skills shortages

15 In reaching this conclusion we found that:

- the Council operates an HR business partner model, with service managers responsible for a range of HR functions such as managing absence and workforce planning, with the support of their HR business partner.
- a People Services hub enables managers to access guidance and information on workforce-related topics and an HR dashboard provides managers with workforce data, such as sickness absence and age profiles of staff.
- senior officers we spoke to had a good understanding of the strengths and weaknesses of current arrangements for managing workforce and have identified areas for improvement. A new dedicated workforce planning role was introduced in April 2022, which aims to strengthen workforce planning and recruitment strategies, including web recruitment. Work is also planned to review and develop the Council's training provision. The Council recognises there is potential duplication of roles between the corporate centre and some services in relation to recruitment and training, and is undertaking work to understand the reasons for this and ensure it achieves the right balance, recognising that this is likely to differ by service area.

- skills shortages are an identified risk. Many of the roles the Council is struggling to recruit to are the result of national shortages, eg technical posts and roles in social services. High property prices and the rurality of the county further exacerbate recruitment challenges in Monmouthshire. The Council has identified the high-risk roles and is exploring ways to address skills shortages including:
 - chairing a regional working group looking at solutions to address recruitment and retention issues in social services;
 - increased use of graduate apprentice roles and developing talent internally;
 - a framework for apprenticeships, internships and cadetship; and
 - recruiting from outside the public sector.
- there are also examples of the Council working with other public sector organisations to help address skills shortages, eg procurement arrangements with Cardiff Council and providing technical estate services to Gwent Police. In addition, the Council is part of the Gwent-based Shared Resource Service, a collaborative information technology service between five public sector partners. There is opportunity for the Council to reflect on whether it is taking a suitably systematic approach to identify where partnership working might benefit the Council, to ensure that it maximises the opportunities of collaboration.
- over recent years, the Council has kept some vacant posts unfilled as part of emergency measures to help manage in-year overspends and cost pressures. This tends to impact posts in the corporate centre rather than front-line services and the Council has recently allocated additional budget to recruit extra staff to deal with backlogs caused by the pandemic, eg in Public Protection. As rising inflation places further pressure on budgets, the Council will need to consider how it can balance its workforce requirements against the need to make savings. The Council recognises this challenge and is reviewing its medium-term financial plans.

Workforce data and trends are reviewed internally and senior officers are well informed of workforce issues, but the pandemic has impacted elected member scrutiny of the People Strategy

16 In reaching this conclusion we found that:

- the People Strategy includes a range of qualitative and quantitative measures to help evaluate and measure progress. Workforce data is also available to managers via a dashboard and the MyView system. Officers told us that SLT and portfolio holders receive regular updates on workforce, and senior officers we spoke to were well informed and knowledgeable on workforce issues.

- but, although members have opportunities to scrutinise workforce performance measures in the corporate plan annual report, more specific and detailed annual reporting on the People Strategy and supporting action plans has been impacted by the pandemic. In developing its new People Strategy, the Council should consider reinstating regular progress reports against the strategy, giving select committee members the opportunity to scrutinise performance.
- the Council uses InfoBase to benchmark its workforce data against that of other local authorities, although we did not see evidence of how this benchmarking is being used. Benchmarking of pay is also undertaken. As with assets, the Council has been actively considering how other organisations are adapting their workforces and ways of working in light of COVID-19, to learn from their experiences and identify what could work or be trialled in Monmouthshire.



Audit Wales

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

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