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Update on the progress the Council is making around its Transformation Programme

Dear Martin,

As part of our audit work, you will be aware that we have been undertaking work in relation to your Transformation Programme. I am pleased that we are now able to provide you with our feedback on this work in this letter.

In understanding the context for the Council's transformation journey to date, it is worth reflecting that the Council's approach to transformation has been through several iterations. Over the more recent past this has included the Council's 'Sustainable Swansea' Programme which ran from 2015-16 until October 2020 and its 'Achieving Better Together' (ABT) programme which ran between October 2020 and the summer of 2022. However, during 2021 and 2022 the ABT transformation programme was naturally focused on supporting the Council to respond to and help it recover from the pandemic. As such, given the need to refocus transformation activity going forward for the medium and longer-term, in our view it was appropriate for the Council to reassess its Transformation Programme in November 2022, and establish a refreshed approach through its current 'Successful and Sustainable Swansea Transformation Programme 2022 and beyond'.

Given the significant refocus of the Council's Transformation Programme over the last year, we have concentrated our feedback in this letter to cover this period. Whilst we have not directly focused our work on the former iterations of your Transformations Programme, where there are learnings from these programmes, that would be helpful in supporting improvement, these have been reflected in our findings below.

In undertaking our work, we have observed meetings of the various Boards responsible for the oversight of the Transformation Programme, reviewed key documents and have interviewed key individuals. Our work

has also drawn upon other work we have undertaken within the Council where this has helped to support our conclusions.

The focus of our work was to understand if the Council is effectively planning and monitoring its approach to its organisational transformation programme and the delivery of associated savings.

Our overall view is that whilst many aspects of the Council's strategic approach to planning, monitoring, and delivering its new Transformation Programme are well defined, some key arrangements could be strengthened to enable the Transformation Programme to adapt to the ongoing financial pressures and achieve its ambitions. In support of this conclusion, we have identified both strengths and areas for improvement around the Council's approach to transformation.

Transformation vision and strategy

The Council has a clear transformation vision. In November 2022 the Council agreed a new 'Transformation Strategy 2022-2027 and Beyond'. Its new strategy sought to build on the areas progressed within its former transformation programme 'Achieving Better Together'. This clarity should enable the Council to focus on what needs to be delivered to achieve its transformation ambitions.

There is good integration between the Council's new 2022 Transformation Strategy and its Corporate Plan. Whilst its new Transformation Strategy was developed before its new Corporate Plan and new Well-being Objectives (WBOs), there is a strong alignment between these two strategic documents. Each of the Transformation Strategy's twelve transformation programmes have also been aligned to supporting the delivery of one of the Council's WBOs. In addition to this, one of the Council's six WBOs is specifically focused on 'Transformation and Financial Resilience'. Putting transformation central to the Council's strategic direction of travel should ensure that it has sufficient profile.

Some of the twelve transformation programmes could more clearly describe their ambitions over the longer term. The Council's 'Transformation Strategy 2022-2027 and Beyond' recognises that many of the twelve transformation programmes will run beyond 2027. For some of the individual transformation programmes there are clear longer-term time horizons that run beyond 2027, such as the 'Net Zero 2030 Programme' which runs until 2030, and the 'More Homes Programme' ambition of 1000 new homes over the next ten years. However, for other programmes such as the 'Future Community Hub' and 'Enabling Communities' there is less clarity on what their ambition is over the longer term. Having a clearer understanding of the longer-term ambitions and objectives across all the twelve transformation programmes will support how decisions are made using a longer-term context.

Transformation planning and delivery

The Council's Transformation Programme Plan provides a clear overview of the twelve Transformation Programmes. The Programme Plan includes a consistent structure that outlines the outcomes, benefits and outputs expected to be delivered as part of the twelve individual Transformation

Programmes. However, the timescales around when these benefits and outcome will be delivered has not been specified in the 'Transformation Programme Plan'. We understand from the Council that that it has underpinned the overarching Transformation Programme Plan by more detailed programme planning documents at the individual Programme level. In our view it will be important that these more detailed planning documents have clearly defined timescales for when the Council plans to achieve the specified benefits and outcomes.

The Council has refocused its arrangements for how its Members are involved in its transformation programmes. The Council has recently established Member Service Transformation Committees (STCs) which closely align to the Council's WBOs and the twelve transformation programmes. The role of the new STCs, which replaced the former Corporate Development Committees, will be to contribute to the ongoing development of the Council's agreed transformation activities. Whilst these committees are new and therefore their effectiveness has yet to be determined, having these aligned to the transformation programmes should support the individual programmes as they continue to evolve.

The link between the Council's Medium-Term Financial Plan (MTFP) and the current transformation programme could be more clearly defined. The MTFP was approved in early March 2023 after the approval of the new 'Transformation Strategy 2022-27 and Beyond' in November 2022. However, this was before the detailed Transformation Programme Plan had been formally agreed in April 2023. Whilst the current MTFP refers to the new Transformation Strategy, the MTFP description of how savings will be delivered over the medium term, is set in the context of the former 'Achieving Better Together' programme. As the MTFP and new transformation programmes are refreshed to reflect the evolving context, including any future financial challenges, it will be important for the MTFP to demonstrate how savings are being delivered by the Council. In particular to clearly differentiate savings that are being delivered through business as usual, and those being achieved through the 'Transformation Programme Plan'.

Transformation governance and progress monitoring

The Council has taken positive steps to identify and apply the learning from its former approaches to transformation. During late 2022 the Council reflected on its former transformation programmes, 'Sustainable Swansea' and 'Achieving Better Together' and identified several learnings. The key learnings including the need to:

- simplify the governance of the programme;
- ensure better alignment with other Council strategies; and
- develop clear lines of accountability.

Continuing to apply these lessons to its current Transformation Strategy should ensure it is better placed to deliver on its transformation objectives.

The Council has used existing governance and reporting structures to provide oversight at the individual transformation programme level which should help to reduce the risk of duplication and additional bureaucracy. To avoid unnecessary duplication most of the individual transformation

programmes within the 'Transformation Plan' have used existing governance and oversight arrangements to deliver and report on their progress. Other than for the Digital and Workforce Transformation Programmes where specific governance arrangements have been established. This approach is pragmatic and should, if managed effectively, ensure effort is directed towards delivering the twelve programmes and not on duplicating programme management.

The Transformation Delivery Board should assure itself that it has the capacity to discharge its oversight role and has a clear understanding of the trajectory of the combined programme. One of the key responsibilities of the Transformation Delivery Board (TDB) is to provide oversight of transformation as a whole programme. It is our view that as the current 'Transformation Plan' grows in scale and complexity, this oversight role will become even more critical. It should enable it to identify interdependencies and opportunities between the twelve programmes, that would be difficult to achieve with the existing governance arrangements of the individual programmes.

The Transformation Delivery Board should refine how it receives updates on transformation programme progress. The current quarterly reporting to Cabinet and Corporate Management Team (CMT) includes an update on progress against the key activities of the transformation programmes, an overall RAG status and where relevant, progress against savings targets. The reporting to Cabinet and CMT is positive, and whilst the early highlight reports to the TDB did not include progress against savings targets, this has now been addressed. Given the TDB role in overseeing transformation across the Council it will be important to include updates on savings targets and also on progress against allocated budgets, such as with the Digital and Workforce Programmes. Having clear transparent progress reporting on finances will enable the TDB to discharge its strategic role more effectively and to inform prioritisation of resources to support the overall programme.

In the initial meetings of the Transformation Delivery Board the challenge and scrutiny has largely been focused on process and not on outcomes and impact. There was a good level of challenge around process, in areas such as:

- the need for consistency of the RAG ratings between the twelve programmes. This has resulted in the requirement to apply a consistent RAG rating across the whole programme.
- the need to ensure that whilst individual programme highlight reports will be different, these are focused on the key issues, and do not contain too much detail. This has resulted in the requirement for all highlight reports to include common aspects such as escalation of risks, issues and decisions for TDB action.

However, given the broad remit of the TDB it will be important that over time at future TDBs there is a focus on strategic considerations and how the twelve programmes are delivering individual and collective impacts and outcomes to enable the Council to achieve its ambitions.

The way the Transformation Delivery Board communicates with individual Programmes is still to be formalised. The current way in which the TDB's challenge and direction are communicated to the individual programmes is through the individual Directors or Heads of Service represented at the TDB. Formalising the reporting and communications between the TDB, the individual programmes, and the necessary democratic processes, will ensure the actions of the TDB to be captured, monitored and effectively scrutinised, and any decisions be taken at the appropriate democratic and management levels and in a transparent and timely way.

The current suite of transformation programme metrics and measures should be enhanced through the development of outcome measures. We have seen that the Council has started to make some progress in trying to define a suite of metrics that will help it measure the progress of its transformation ambitions. This work is still at an early stage of development and could be more focused on trying to measure the benefits and outcomes articulated within the individual transformation programme plans as well as the specific programme activities. Whilst we recognise that this is challenging, working collaboratively to identify these types of outcome measures will enable the Council to capitalise on any shared learning and ultimately provide a better indication of the progress being made across its Transformation Programme to achieve its ambitions.

I trust that this summary of our work is useful to you as you continue your transformation journey. Finally, I would like to take this opportunity to thank you and your colleagues for their support in helping us to undertake our work.

Yours Sincerely

Audit Wales Engagement Team