

Springing Forward – Denbighshire 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 the 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 did 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 Denbighshire County Council invests considerable sums in its building assets and workforce. Some key information from 2020-21 is shown in **Exhibit 1**.

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

Number of Council buildings owned in 2020-21	4,000 buildings of which 3,372 are housing stock
Value of property, on 31 March 2021	Approximately £387 million
Number of staff	4,564
Spending on workforce	£143 million which equates to 69% of its total net revenue budget
Percentage of the workforce who were male	26.5%
Percentage of the workforce who were female	73.5%
Percentage of staff who work full time	63.6%
Percentage of staff who work part time	36.4%
Percentage of staff aged over 55 years	27.8%
Number of staff who left the Council by their own choice in 2020-21	265

- 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 December 2021 to February 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 developing its New Ways of Working Project, which will impact on both its building assets and its workforce, integrating this activity with wider strategies, and looking further ahead will strengthen the Council's consideration of the sustainable development principle.
- 10 We reached this conclusion because:
- the Council continues to develop its New Ways of Working strategy but has not yet incorporated these plans into a corporate asset management plan that sets out the future for its building assets;
 - officers, supported by councillors are proactive in the management of assets, although there are opportunities to improve processes and consistency of asset management across the Council;
 - throughout the pandemic senior managers and Cabinet members carefully monitored the impact of COVID-19 on the Council's building assets;
 - the Council has workforce planning arrangements in place and will need to further develop these as it shapes its vision for its future workforce;
 - the Council's actions in respect of workforce planning are largely focussed on the 'now': until it has properly identified its future workforce needs it is not able to take actions to deliver them;
 - the Council is focussed on dealing with the current day-to-day challenges and has not yet set out its longer-term actions to address its ongoing workforce challenges.

Recommendations

Exhibit 2: recommendations

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

Recommendations	
Post-pandemic learning	
R1	Consider learning and areas for improvement from the pandemic to help inform future use of assets and workforce, where the pandemic has highlighted such opportunities. These are shown in bold text throughout the report.
Vision	
R2	Clarify the Council's vision for the shape and size of its building assets and workforce in the short, medium, and long term.
Strategies and delivery plans	
R3	Develop asset and workforce strategies and delivery plans that build on learning from the Council's experience of the COVID-19 pandemic and deliver the Council's vision in these areas.
Strategies and delivery plans	
R4	Identify the costs of delivering these plans and incorporate these into the medium-term financial plan.

Detailed report

Assets

The Council continues to develop its New Ways of Working strategy, but has not yet incorporated its plans into a corporate asset management plan that sets out the future for its building assets

11 In reaching this conclusion we found that:

- the Council has a draft New Ways of Working strategy with two strands; one covers Council members' working practices and the second covers office utilisation. At the time of our review, the New Ways of Working strategy had not been finalised. However, in respect of building assets, the intention is to review demand for offices, change its office portfolio and update its office layouts accordingly. The Council anticipates that fewer staff will attend the office, demand for video conferencing will continue and it will have an oversupply of office accommodation.
- the Council's New Ways of Working strategy aims to introduce a 'blended working' model where staff suggest to their manager the amount of time they spend working from home, working in the office, and working on site. To avoid unnecessary travel to the three main offices, the Council intends that staff may be able to meet in other Council facilities such as libraries or even premises in neighbouring councils.
- the Council's draft New Ways of Working Office Accommodation Strategy dated September 2021 sets out the current office portfolios, proposals for main office and ancillary office locations, conclusions, and next steps. The next steps section includes the need to undertake a wellbeing impact assessment, gain senior management and political agreement, discuss service needs, and develop office layouts that reflect future needs. The strategy does not include timescales, as officers understand there are staff and political sensitivities around these changes and intend to take an opportunistic approach to delivery when the timing is thought to be right.
- the Council is reviewing its corporate priorities and aims to have a new corporate plan that reflects the priorities of the new administration after the May 2022 elections. Its current 'Corporate Plan 2017-2022' is clearly committed to improving its building assets. In line with its environmental ambitions, it commits to reducing carbon emissions from Council assets by at least 15% by 2022, to improve the energy efficiency of Council houses and to reduce the number of properties at risk of flooding in Denbighshire.
- the Council is preparing a new asset management strategy to replace its previous 'Asset Management Strategy 2017-2021'. Whilst the new asset management strategy and the new medium-term capital strategy to support the asset management strategy were in development at the time of our review, neither had been approved. At this stage, plans are neither long-term

in nature nor are asset plans well integrated in line with expectations set out in the five ways of working under the Well-being of Future Generations (Wales) Act 2015.

- the recent pandemic has significantly changed the potential future landscape of the Council's building assets. **In addition to taking account of its New Ways of Working project, the Council will need to take account of the local town centre economy if it closes its offices, the impact of technology on the way councillors and officers work, the case for owning buildings versus renting and the size of the current estate in relation to expected demand. As more staff work from home, the Council will need to review policies and procedures including travel and expenses and consider the health and safety of staff to ensure it discharges its responsibilities for their wellbeing.**

Officers, supported by councillors are proactive in the management of assets although there are opportunities to improve processes and consistency of asset management across the Council

12 In reaching this conclusion we found that:

- in the early stages of the pandemic, staff adjusted to Welsh Government COVID-19 restrictions and there were understandable reservations around having close contact with others. The Council prioritised external repair work at first, but as time passed and safe working practices became better embedded, staff started to address the slippage of work that had inevitably accrued. Urgent repairs and high-risk work were carried out during the pandemic.
- building material prices have increased significantly during the pandemic which had an impact on contracts and contractors. In one capital project, the contractor declared themselves bankrupt, which impacted on delivery of the project. The Welsh Government supported the Council with flexibility around timescales and the funding 'envelope'. **The Council will need to take account of these pressures as it sets its own budget and ensures that future contracts provide value for money, are viable for contractors' businesses, and support its priorities around the local economy.**
- throughout the pandemic, the pressures on care homes have been widely publicised. In this review, we heard that the physical layout of some care homes had impacted negatively upon their operation. For example, some rooms were needed to store essential personal protective equipment and some homes found it difficult, when visits were permitted, to facilitate safe visits because of the configuration of the building. The Council sought funding through the ADSS Cymru Hardship Fund to support capital investment in its own care homes and offered advice to care home providers about where they might seek similar funding.

- managers and staff collaborated well through the pandemic. The Council has worked with Health colleagues to provide testing and vaccination centres. A Community Resource Team has been based in County Hall for some time and the Council has also shared accommodation with the Coroner and Registration services. **The Council will need to continue to explore more opportunities to share and collaborate in its use of accommodation as part of its review of its office capacity.**
- acquisition, disposal, and maintenance of building assets is managed by the Assets Team which is part of the Finance and Property Service. This team liaises with and supports operational managers, bringing specialist skills and knowledge to the management of buildings. The Council operates a 'Corporate Landlord' arrangement whereby buildings are owned by the Council not individual services, although running costs are met by services. The pandemic has heightened the importance of building assets in the delivery of services and the Council is clearly committed to reviewing the way it uses them in the future. **It is important that the Council also reviews its wider infrastructure to ensure it supports use of these buildings to ensure maximum efficiency and value are gained from the asset.**
- at an officer level, building assets were, in the past, co-ordinated through an officer-led asset management group which was a 'clearing house' for proposals before seeking approval through the formal decision-making process. This group was replaced by an Asset Management Group with a membership of officers and councillors, chaired by the Deputy Leader who has portfolio responsibility for building assets. This group does not have decision making powers but does provide a useful 'sounding board' for significant acquisitions and disposals of buildings. Officers present reports to the group for discussion, then councillors are invited to ask questions. This group is not formally constituted, and minutes are not accessible to the public, although minutes of decisions to acquire or dispose of land and buildings that are considered by the Council's Cabinet are accessible on the Council's website. The Council is currently reviewing its management structure and we were told that this may affect the positioning of the asset management team within that structure. **As the Council reviews the infrastructure supporting asset management, it should also take the opportunity to review the governance arrangements to ensure transparency of decision making and separation of roles between elected members and officers.**

Throughout the pandemic senior managers and Cabinet members carefully monitored the impact of COVID-19 on the Council's building assets

13 In reaching this conclusion we found that:

- throughout the pandemic, senior managers have received regular reports highlighting the impact of COVID-19 on services and resources. The Senior Leadership Team received recovery theme updates that included references to building assets. For example, in June 2020 it received an update on housing recovery, in July 2020 it received a general update on recovery including issues with the Asset Management Group and an update on the Climate and Ecological Change Programme.
- governance arrangements were affected by the pandemic, particularly in the earlier stages, with most meetings being suspended between March 2020 and June 2020. These were then restored with the use of remote technology to facilitate virtual meetings. **As part of its contingency/emergency planning arrangements, the Council will need to consider the impact that the pandemic had on its governance arrangements and review whether senior managers and councillors received appropriate information during this period.**
- Cabinet members were routinely briefed by senior managers, although the Cabinet did not receive reports specifically setting out the impact of COVID-19, including on the impact on the Council's building assets.
- officers have continued to meet their colleagues and peers from other organisations to share experiences of the pandemic and learn from each other's approaches. The Chief Executive held virtual all-staff briefings during the pandemic, and these have included reference to the future use of offices and working practices. However, as the New Ways of Working project has not yet been formally approved, and the approach to implementation is 'opportunistic,' managers have been limited with how much detail can be shared with staff and how it might affect them personally. For some staff, we heard that this uncertainty is a concern and is affecting their morale.

Workforce

The Council has workforce planning arrangements in place and will need to further develop these as it shapes its vision for its future workforce

14 In reaching this conclusion we found that:

- the Council has a track record of workforce planning, that was interrupted by the pandemic. Service workforce plans for 2018-19 included the composition of staff within the service, key challenges and risks, and actions that the

services needed to take during the year. Human Resources Business Partners have started to work with Heads of Service to develop workforce plans for 2022-23. This process was in its early stages during our review, confirming that the Council does not yet have an up-to-date workforce plan.

Workforce plans will also need to integrate more widely with other plans such as the New Ways of Working Project.

- to support workforce planning, officers have carried out an analysis on the New Ways of Working project looking at strengths, weaknesses, opportunities, and threats (SWOT) around the project. Each service has workforce profile information that includes the current workforce, such as the numbers of full or part-time staff, gender, attendance data and reasons why staff have left. **This provides a useful picture of the current workforce and should be used by managers to help them set out their vision of the future shape of the workforce. Once this is in place, workforce planning will help managers consider actions to deliver that vision.**
- the Council's Risk Register records two key risks around workforce. It identifies the risk that Senior Leadership capacity and skills to sustain service and corporate performance may not be available and the risk that recruitment and retention issues, leading to a loss of expertise and capacity, worsen, resulting in poor or inadequate services. **It recognises controls to manage these risks, and the Council will need to consider the implications of these when developing its new workforce plan.**
- the Council has seen the retirement or departure of some key senior managers during 2021-22 and the Chief Executive is currently proposing changes to the senior management structure. **With the local government elections in May 2022, the administration, together with the refreshed senior leadership team should be well placed to set out the Council's vision for the future workforce including its plans for blended working patterns.**
- the Well-being of Future Generations (Wales) Act 2015 places a duty on public bodies to plan for the short, medium, and long term. As detailed above, the Council plans on an annual basis. Whilst the New Ways of Working project signals a different way of working, it does not fundamentally change the shape of the workforce. **The Council will need to consider how far into the future it is reasonable to set out its plans for the workforce and what skills, knowledge and capacity it will need over that period.**

The Council's actions in respect of workforce planning are largely focussed in the 'now': until it has properly identified its future workforce needs it is not able to take actions to deliver them

15 In reaching this conclusion we found that:

- the Human Resources (HR) Team has worked hard to support staff and combat the impact of the pandemic. Business partners have worked closely with operational managers providing HR support.
- in the early stages of the pandemic, many staff adjusted to working from home, some were unable to work because the services they delivered were suspended and some staff were redeployed to other duties. This was an unprecedented set of circumstances which, coupled with personal and family commitments, placed many of the workforce under significant pressure. Most staff have now returned to their normal duties, although still operating under the challenges posed by the ongoing pandemic, such as isolation and concerns about COVID-19.
- in line with legislation, staff have been required to work from home where possible. This has required staff to work very differently and has caused extra stress, particularly for staff with caring responsibilities and the added pressure of home tutoring. The Council instructed managers to allow staff to work flexibly and recognise that some days staff will not be able to 'put in their 'full shift'. Senior managers considered requests by staff to return to the office, where working from home did not suit their personal circumstances or they were feeling particularly isolated. For many, this new way of working has been successful, and it is likely that many staff will adopt blended working patterns in future, where they spend time working from a mix of home, usual workplace or on site. Whilst it is difficult for any organisation the size of the Council to ensure consistent compliance with directives, especially when there is room for interpretation, this can sometimes fuel a sense of unfairness. An example raised during the review was around many teachers working from home during the pandemic whilst some teaching assistants worked in their schools. **The Council should consider how it communicates the rationale for its decisions to minimise some of these cultural challenges.**
- working from home also brings with it some practical challenges. Knowing when or how officers can be contacted is difficult, especially when staff are working non-standard hours to accommodate caring responsibilities. Some staff may be reluctant to share their home phone numbers, which makes it difficult for colleagues to contact them. And if staff are working from home, how is their privacy protected when they are customer facing? **The Council should develop a protocol setting out its expectations of how and when staff should be contactable when working from home.**

- for those staff who were unable to work from home and whose services operated through the pandemic, they faced different challenges. The Council risk assessed staff who needed face-to-face interaction with the public and provided protective equipment and changed working practices to keep staff and the public safe. Trade Union representatives continued to meet HR colleagues and senior managers throughout the pandemic to monitor and address emerging staffing issues.
- to mitigate the risk of driver shortages in waste collection services, the Council sought details of staff who already held heavy goods vehicle (HGV) licences and may have been willing to help in the event of staff shortages. It also offered to support staff who wanted to learn to drive HGVs and take their tests. Considering **its experience during the pandemic, the Council should think about what other transferable skills staff have and how these can be recorded within its workforce data.**
- social care staff have been particularly affected by the pandemic. Domiciliary care staff have been at the forefront, working with particularly vulnerable service users, at increased risk of contracting COVID-19 themselves and working, as they do, often isolated from colleagues. Social workers have also worked throughout. With the added pressures of increasing workloads, and the widely reported recent child deaths in the United Kingdom emphasising the importance of sound safeguarding practice, there has been an increased fear of 'getting it wrong'.
- staff recruitment challenges have continued through the pandemic with resulting staff shortages. Competition for social workers, occupational therapists, and domiciliary care workers is recognised as a regional and national concern with pay, and competition for agency staff often quoted as significant factors. The Council has worked hard to recruit care staff and has employed recruitment specialists to address staff vacancies. Across the Council, it is implementing a 'grow your own' approach to develop its own talented staff, and the Council operates a flexible retirement scheme to help manage the consequences of experienced staff retiring sooner than expected. Under the scheme, staff must reduce their working hours and must leave the Council by the end of a two-year period. Some other councils in North Wales have a more flexible policy where the period to leave employment with the Council can be greater than two years. The scheme is administered by Clwyd Pension Fund and enables the Council to recruit replacement staff over a longer period, allowing some handover time with departing staff.
- other Council services have also experienced recruitment difficulties, particularly where technical skills that are in short supply are needed such as in procurement, legal, occupational health, and asset management. For some, the pandemic and increased use of remote access have allowed staff to work in other parts of Wales or further afield, without a daily commute. This has seen some staff and potential recruits in Denbighshire being attracted to other employers. **The Council understands these challenges**

around recruitment and will need to ensure that potential solutions are included in workforce plans to prevent the consequences for service delivery and the impact on residents.

- sickness absence has been affected by the pandemic. Overall sickness absence fell across the Council in the early stages of the pandemic, but recently numbers have started to increase again. The Council does not record staff isolating in its sickness data. Some services where face-to-face contact is necessary have seen increased levels of sickness, and other services where staff have worked from home have seen a reduction in sickness levels. Managers told us that stress has become the main reason for absence and is the consequence of several factors. For example, staff who in the past have carried out a challenging and uncomfortable meeting with a member of the public would have returned to the office where they might receive peer support. Where these staff are working from home, colleagues will not be there to pick up on the signs of anxiety and stress, and the staff member will often be left without support. Frontline staff and senior managers who have worked throughout to keep services operational and co-ordinate activity to combat the impact of the pandemic may now be feeling fatigued and the effects of long-term stress. **Managers understand the impact of COVID-19 on staff sickness within their services, but the Council needs to collate this information to ensure these factors are addressed through the workforce plan.**
- the pandemic has also provided opportunities. Information and Communication Technology (ICT) has underpinned the work of the Council during the pandemic. If there were barriers to using remote technology in the past, these have been largely overcome. Staff have been supported to work from home and schools have supported pupils with remote access. **The Council should explore the benefits that have been realised through the increased use of ICT during the pandemic to identify wider opportunities in other services. It also needs to review the capacity of the ICT service to ensure it can continue to maintain and deliver improvements.**

The Council is focussed on dealing with the current day-to-day challenges and has not yet set out its longer-term actions to address its ongoing workforce challenges

16 In reaching this conclusion we found that:

- the Head of HR reports to the Head of Legal, HR and Democratic Services who is a member of the Senior Leadership Team and was able to offer specialist HR advice as issues arose during the pandemic. The Senior Leadership Team received regular recovery theme updates that included references to workforce. For example, in May 2020 it received an update which included details of the Redeployment Bureau and in July 2020 it

received a general update on recovery including the all-workforce COVID-19 risk assessment tool.

- in the early stages of the pandemic, all Council meetings including Cabinet were suspended. Cabinet resumed in May 2020 and received some reports on COVID-19, but it has not received any reports relating to the overall impact of the pandemic on the workforce.
- scrutiny committee members have considered reports on the impact of COVID-19, and the Council's recovery plans, but not on the overall impact of COVID-19 on its workforce. **The Council should consider how Cabinet and scrutiny committees might have supported its overall recovery arrangements, particularly in relation to workforce management.**
- officers have continued to meet with peers in other councils and trade union representatives to discuss emerging issues in relation to workforce, and national benchmarking information is available through InfoBaseCymru¹.
- the Council has engaged with staff regularly throughout the pandemic, However, because the New Ways of Working project has not yet been formally agreed, the Council has not engaged on the wider implications for the workforce. **The Council should consider how it can involve staff in the further development and implementation of its New Ways of Working project.**

¹ InfoBaseCymru is developed, supported and hosted by the Local Government Data Unit Wales to provide easy access to information for Wales, using maps and tables.



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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