

Springing Forward – Assets – Vale of Glamorgan Council

Audit year: 2021-22

Date issued: July 2022

Document reference: 3069A2022

This document has been prepared for the internal use of the Vale of Glamorgan Council as part of work performed in accordance with Section 17 of the Public Audit (Wales) Act 2004, and Section 15 of the Well-being of Future Generations Act (Wales) 2015.

No responsibility is taken by the Auditor General or the staff of Audit Wales in relation to any member, director, officer or other employee in their individual capacity, or to any third party.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000.

The section 45 Code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and Audit Wales are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at info.officer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

Contents

Summary report

Summary 4

Recommendations 6

Detailed report

The Council has put arrangements in place that help it manage its assets effectively, but needs to consider how it can more fully apply the sustainable development principle to strengthen these arrangements and plan for the future 7

The Council has a good understanding of its current assets to help inform its new corporate asset management plan, but needs to better understand the longer-term demand for its assets and ensure it aligns with other key strategies 7

There are positive examples of collaboration as the Council delivers its corporate asset management plan 9

The Council has sound arrangements to monitor its current corporate asset management plan 11

Summary report

Summary

What we reviewed and why

- 1 We reviewed the Vale of Glamorgan Council's (the Council) arrangements for managing its assets with a primary focus on office accommodation and buildings from which the Council delivers services to its residents. We looked at how the Council strategically plans the use of its assets, how it monitors the use of its assets and how it reviews and evaluates the effectiveness of its arrangements.
- 2 We delivered this review as the world moves forward, using the experiences from the global COVID-19 pandemic, to look at how councils are strengthening their ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.
- 3 When we began our audit work under the Well-being of Future Generations (Wales) Act 2015 (the Act) 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 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 The Council's asset base had a valuation of £737.3 million in 2021 and comprised of the asset types set out in **Exhibit 1**.

Exhibit 1: asset base

The table below sets out key aspects of the Council's asset base in 2021.

Asset type	Number in 2021
Core Corporate Offices	4
Schools and learning centres	62
Leisure centres	5
Council house dwellings	3,894
Libraries	4 (there are four full time libraries and five community run libraries)
Community Centres	22
Residential homes	4
Recycling centres	2
Public toilets, parks and gardens	43

Source: Vale of Glamorgan Council

- 5 We undertook the review during November and December 2021.

What we found

- 6 Our review sought to answer the question: Is the Council's strategic approach to its assets effectively helping the Council to strengthen its ability to transform, adapt and maintain the delivery of its services in the short and longer-term?

- 7 Overall, we concluded: The Council has put arrangements in place that help it manage its assets effectively, but needs to consider how it can more fully apply the sustainable development principle to strengthen these arrangements and plan for the future.
- 8 We reached this conclusion because:
- the Council has a good understanding of its current assets to help inform its new corporate asset management plan, but needs to better understand the longer-term demand for its assets and ensure it aligns with other key strategies;
 - there are positive examples of collaboration as the Council delivers its corporate asset management plan; and
 - the Council has sound arrangements to monitor its current corporate asset management plan.

Recommendations

Exhibit 2: recommendations

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

Recommendations
<p>R1 Strengthening the application of the sustainable development principle</p> <p>The Council should more fully apply the sustainable development principle in its strategic asset management, including:</p> <ul style="list-style-type: none">• taking account of longer-term trends and future service demand that may affect service provision and the efficient use of its built assets;• taking an integrated approach ensuring its strategic approach to asset management helps deliver its wider plans, such as decarbonisation, workforce and digital; and• involving service users in the design of future service delivery which may impact on its assets.

Detailed report

The Council has put arrangements in place that help it manage its assets effectively, but needs to consider how it can more fully apply the sustainable development principle to strengthen those arrangements and plan for the future

The Council has a good understanding of its current assets to help inform its new corporate asset management plan, but needs to better understand the longer-term demand for its assets and ensure it aligns with other key strategies

Why setting a clear vision is important

- 9 A clear asset management plan and well-developed delivery plans are important to identify the intended usage of assets over the short and longer term; the funding available to maintain and develop assets, as well as the anticipated future level of demand for, and cost of, providing services. It is also important to identify how the asset management plan aligns and integrates with other relevant strategies including, agile working, workforce, digital and carbon reduction. Learning from the changes brought about by the global COVID-19 pandemic can help councils strengthen their ability to transform, adapt and maintain the delivery of services.

What we found

- The Council has a Corporate Asset Management Plan (CAMP) 2019-22. Contained in the CAMP is a Property Mission Statement outlining the Council's long-term aspiration 'to have a lean, sustainable portfolio that is fit for purpose to support service delivery across the Vale'. The CAMP does not define the Council's view of long-term¹. It is unclear therefore what time period the mission statement refers to, and to what extent the Council is considering long-term trends that may affect future service delivery and demand.
- Contained in the CAMP is the Council's Smarter Working Policy with a focus to help make best use of the Council's office accommodation and to enable different

¹ The Wellbeing of Future Generations Act's [statutory guidance](#) does not prescribe the time period meant by long term. However, 'a useful reference point is that a generation is considered to be about 25 years. It is therefore expected that public bodies and public services boards will look at least 10 years ahead, although best practice would be to look 25 years ahead. In some contexts, it will be longer'.

styles of working. The Council also set up a Space project focussing on key corporate buildings as part of the Reshaping Services Asset Programme.

- Prior to the pandemic, the Council conducted an occupancy review of its main office accommodation to determine occupancy rates. As a result, the Council gathered data and was therefore in a good position to understand the usage of its main offices and to progress with making best use of its office accommodation based on solid evidence.
- The Council's ambition to optimise use of its office accommodation remains a priority as staff worked from home where possible during the pandemic as per Welsh Government restrictions. Directorates engaged with staff to understand if those currently home-working would want to continue working from home, have hybrid working or a complete return to the office. The Council anticipates the office space available would be a more flexible, collaborative working environment.
- In addition, in late 2021, the Council surveyed its Heads of Service to establish their future office accommodation requirements and at the time of our fieldwork, were analysing the results. In December 2021, the Council held a focus group with the Heads of Service to assess the challenges and opportunities of hybrid working. The Council intend to use the information gathered from the survey, focus group and Directorates' engagement with staff to produce a hybrid strategy and inform the next version of the CAMP.
- Necessitated by the pandemic services delivered from Council offices closed and re-opened as lockdown restrictions eased, albeit with reduced opening times and a booking system to ensure social distancing. Anecdotally, the public have not adversely reacted to these new arrangements. This however has not substantiated by formal service user involvement. At the time of our fieldwork, the Council were considering fully re-opening the services when Welsh Government lift all restrictions. The Council should consider how it can best involve service users so that it has the necessary evidence to support any decision on the arrangements for future service delivery.
- The Council has robust arrangements to ensure it gathers service level information on its assets. Every department who runs services from a built asset completes a Service Asset Management Plan (SAMP) annually.
- The SAMP template includes sections on the 'suitability of the property' such as location and layout to enable efficient service delivery and the 'sufficiency' of each property asset to support service needs covering periods of 0-1 years, 1-3 years and 3-5 years respectively. The 2022-23 SAMP template will also reflect the Council's new Corporate Plan 2020-2025 wellbeing objectives which replace the objectives in the previous Corporate Plan.
- Prior to the pandemic the Council intended to complete a service area asset review to identify underperforming assets; reduce the amount of accommodation used to deliver services; and to identify opportunities to provide multiple service delivery from an asset (co-location). The pandemic delayed this review, but the Council is now progressing this area of work.

- The annual service asset management process commenced in January 2022 and should provide information on what services need to offer efficient and effective services to their users. The outcome of these SAMPs will help shape the next iteration of the CAMP. The current template does not explicitly reference the need to involve service users when considering any changes to service delivery. Involving service users can provide the Council with valuable information on providing both efficient and effective services in the future.
- The Council gathers information to acquire a good understanding of its current built assets. Information is gathered through a five-year programme to assess the condition of its built assets, through the annual completion of the SAMPs and through data collected on each asset such as energy usage, running costs and compliance rates.
- In 2022, the Council is refreshing its current Digital Strategy, Carbon Management Plan, Workforce Strategy, as well as the CAMP. This presents the Council with a good opportunity to further align and integrate these strategies and use the sustainable development principle more broadly, to shape and drive the new iterations of these strategies.

There are positive examples of collaboration as the Council delivers its corporate asset management plan

Why effectively managing the delivery of planned changes to assets is important

- 10 It is important that asset management plans deliver the intended outcomes efficiently and effectively so that actual expenditure is as close to the levels planned as possible and councils meet their statutory duties. Effective collaboration with other organisations and involving communities about their needs can improve the services delivered to residents. Where councils do not have the range of skills, knowledge and expertise to effectively manage both ongoing asset management and deliver strategic changes this may reduce the ability to deliver the intended outcomes.

What we found

- During our fieldwork, we identified several examples of good internal and external collaboration as the Council delivers the actions within the CAMP. The Council has accommodation working groups for each of the different office hubs led by Council Directors, supported by the Estates team. In addition, the IT team were instrumental in designing a pilot office booking system to enable staff to book a workspace to maintain a safe working environment during the pandemic. The Council sought feedback from those officers using the new booking system and at

the time of our fieldwork, were analysing the comments with a view to possibly roll out the booking system to other office accommodation.

- In 2021, the Council took the lead on re-establishing the Public Services Board (PSB) Asset Management Group to include the Climate Change agenda. There is widespread membership on this group across the public sector, such as Natural Resources Wales, NHS Estates, Cardiff and Vale University Health Board, South Wales Police, Welsh Government Land Division, Cardiff and Vale College, Town and Community Councils and GVS with good meeting attendance.
- A key role of this group is 'to support the development of an integrated public sector estates strategy based on a shared understanding of current estate issues across the public sector. The strategy will support improved service delivery and the identification of opportunities for collaboration/co-ordination covering both the buildings and the land holdings of the member partners'. The group has the potential to be a constructive mechanism to facilitate a more integrated and collaborative approach to planning and management of assets across the region.
- The Council has collaborated with partners in co-locating staff in a single asset such as the Cardiff and Integrated family service within the Council's Alps office in Wenvoe, and the Joint Adoption Service in the Docks offices in Barry. The Council also works with the voluntary sector in re-purposing assets. For example, the Council identified two buildings in Llantwit Major as surplus. Rather than proceed to disposal and gain a capital receipt, the Council sought interest from the community to take on the assets. The outcome is a voluntary organisation managing these assets which offers services to the local community.
- In 2020, the Council completed the Goodsheds development in the Innovation Quarter in Barry and achieved the inaugural Ystadau Cymru Award for best project in Wales in the "Creating economic growth" category. This award was given as it demonstrated how a public sector organisation used their estate to create economic growth such as the creation of jobs, homes and business opportunities.
- Some synergy and integration between Council priorities can be seen through the emergence of the Council's hybrid working strategy. This strategy focuses on the working environment, tools and technology to offer staff a different way of working. In 2018, the Council updated its Carbon Management Plan and is due for a refresh in 2022. The Energy team responsible for delivering this plan work closely with the Estates team and both are part of the Property team. The teams work together to reduce energy costs and decrease carbon emissions for the Council's corporate buildings. The decarbonisation agenda is a significant driver in the Council's future use of its assets and, we were told would feature more prominently in the new CAMP.
- The Council has a small, stable estates team. A recent recruitment process did highlight lower than usual applications, but this is a trend also seen in other councils. A future concern is that recruiting people into those roles with the necessary professional skills may be more challenging. However, at the time of the fieldwork, the estates team had sufficient staff capacity.

The Council has sound arrangements to monitor its current corporate asset management plan

Why effectively reviewing the delivery of planned changes to assets is important

- 11 Councils should use data to monitor whether they are achieving their intended outcomes effectively and efficiently over the short and longer term. Using benchmarking data can provide useful insight into councils' individual performance and can identify opportunities for learning from other organisations.

What we found

- Every three years, the Council updates its CAMP with a supporting action plan. This is reported to Cabinet however the Council did not produce an annual report in 2020 due to the pandemic.
- The annual CAMP report contains an updated action plan with progress on delivering the actions supporting the five objectives in the CAMP. These are mainly narrative statements with each action given a red/amber/green (RAG) rating, but the RAG criteria is not stated. Therefore, the allocation of a RAG rating is subjective potentially making it difficult for members to fully understand the status given to each action.
- In addition to the annual CAMP report to Cabinet, the Corporate Performance and Resources Scrutiny Committee and Cabinet receive quarterly updates on the Council's Corporate Plan. Key asset management actions, for example, 'review our property and land assets to support changes in service delivery, including agile working' are included within these quarterly reports, providing members with an opportunity to understand and challenge progress.
- The Council established an Insight Board, chaired by the Chief Executive which replaced a number of working groups including the Corporate Asset Management Group. The Insight Board now considers any asset management recommendations or requests. The Operational Manager for Property is a member of the Insight Board and leads on the standing agenda item relating to asset management ensuring the use of assets remains visible at this senior officer level.
- Whilst the Council is very supportive of comparison through benchmarking, with the operational manager for property a member of the Consortium of Local Authorities in Wales (CLAW)², the opportunity for comparison between councils has been temporarily suspended during the COVID-19 pandemic.
- As part our examination of councils' performance assessments covering the 2020-21 financial year, we noted a reduced reference to comparative performance information as the pandemic led to the suspension of some national data

² [CLAW | Home](#)

collection. The ability to compare data and performance with other organisations will continue to be an important element of arrangements to secure value for money. This represents a challenge for councils to address particularly in light of the self-assessment duties as set out in the Local Government and Elections Act (Wales) 2021.

- The Vale PSB Asset Management and Climate Change group has a role to 'liaise with similar groups in adjoining authority areas in order to share good practice, be aware of each other's proposals and to identify/consider cross border/boundary opportunities'. At the time of our fieldwork, while the group was still in its infancy and gaining an understanding of the asset requirements of the individual public bodies, the group was beginning to look outside of the Vale for learning and good practice, such as the Swansea Bay Solar farm.



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

We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.