

Springing Forward – Strategic Asset Management – Rhondda Cynon Taf County Borough Council

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Summary report

Summary

What we reviewed and why

- 1 We reviewed the Council's arrangements for managing its assets. 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 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 councils are putting in place arrangements to transform, adapt and maintain the delivery of services;
 - to explain the actions that councils are taking both individually and collectively to strengthen their arrangements as well as further embed the sustainable development principle; and
 - to inspire councils and other organisations to further strengthen their arrangements through capturing and sharing notable practice examples and learning and making appropriate recommendations.
- 5 We undertook the review during the period November and December 2021, reviewing key Council documents and speaking with officers and elected members of the Council. We provided some verbal feedback on our work to the Director of Corporate Estates in January 2022.
- 6 The Council has a substantial land and property portfolio that consists of 450 Council sites and 933 individual buildings. As at the end of March 2021, these were valued above £709 million. The Council's principal office accommodation and storage facilities are in 20 of its operational buildings from which approximately 1,700 members of staff operate.

What we found

- 7 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?
- 8 Overall, we found that the Council has good arrangements to deliver its current corporate asset management strategy, but now needs to put the sustainable development principle at the heart of its considerations when renewing its strategy and supporting arrangements.
- 9 We reached this conclusion because:
- the Council is preparing to renew its corporate asset management strategy and needs to ensure this is fully shaped by the sustainable development principle;
 - the Council has good arrangements to deliver its current corporate asset management strategy and having responded to the COVID-19 crisis with agility and in partnership with other public sector organisations is looking to retain some benefits of new ways of working; and
 - the Council has strengthened its arrangements to monitor progress with its asset management plan, but, like other councils, will need to compare its data and performance with others to help it demonstrate its asset management arrangements are value for money.

Recommendation

Exhibit 1: recommendation

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

Recommendation	
R1	<p>The Council needs to ensure the sustainable development principle is driving and shaping its approach to all its assets. For example:</p> <ul style="list-style-type: none">• the Council should develop a longer-term approach to its assets; and• the Council will need to fully integrate its workforce and digital strategies with its longer-term plans for its assets.

Detailed report

The Council has good arrangements to deliver its current corporate asset management strategy but now needs to put the sustainable development principle at the heart of its considerations when renewing its strategy and supporting arrangements

The Council is preparing to renew its corporate asset management strategy and needs to ensure this is fully shaped by the sustainable development principle

Why setting a clear vision is important

- 10 A clear asset management strategy 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 strategy can deliver wider strategic objectives, 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.

Why the Well-being of Future Generations (Wales) Act 2015 is important

- 11 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.
- 12 Under the Well-being of Future Generations (Wales) Act 2015 (the Act) councils must carry out sustainable development in accordance with the sustainable development principle. To do something in accordance with the sustainable development principle requires the Council to act in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. To act in that manner, the Council

must take account of the five ways of working: Long-term, Integration, Involvement, Collaboration and Prevention. Statutory guidance on the Act sets out the seven core organisational activities that it is essential that the sustainable development principle is applied to. Assets are one of those core organisational activities.

13 The Well-being Future Generations (Wales) Act 2015 requires the Council to demonstrate that it considers the longer-term consequences of its decisions.

14 In reaching this conclusion we found that:

- the Council has a clear vision for its assets as set out in its Corporate Asset Management Plan (CAMP) 2018-23. The primary aim of the CAMP 'is to maximise the benefits derived from land and buildings, to support delivery of the Council priorities, to meet service requirements, to raise revenue through rental income and to comply with regulatory and statutory duties'.
- at the heart of the CAMP 2018-23, the Council has a core objective to reduce the number of council office buildings, reducing the revenue costs of running and maintenance costs, by consolidating staff into fewer buildings and disposing of the surplus buildings. 'Making the best use of the Council's land and property portfolio' is one of the Council's key priorities in its Corporate Plan 2020-24.
- to inform the CAMP, service departments are required to produce annual Service Asset Management Plans (SAMPs). The yearly SAMPs include information on the management, condition and maintenance issues of the assets.
- the Council was aiming to deliver budget efficiencies of £4.6 million within its revenue budget for 2021-22. The Council plans that the future use and optimisation of the Council's buildings as set out in their draft 'Built Asset Review Workspace Plan – Fit for the Future' will contribute to these budget efficiencies.
- at the time of our fieldwork, the Council was reviewing its land, property and workspace portfolio, known as the 'Built Asset Review Workspace Plan – Fit for the Future'. This review will inform the future of the Council's assets and its delivery plan beyond 2023.
- we found some positive examples where the Council can show it has applied the five ways of working in its asset management planning and decision-making. For example:
 - the Council has significantly reduced the number of Council office buildings in accordance with its CAMP 2018-23 and, using its experience of the COVID-19 pandemic and subsequent changes to how and where many of its staff are now working, is again considering the future of its office accommodation in the longer term;
 - how the Council has been mindful of the impact its decisions could have on the regeneration of its town centres and decarbonisation; and

- the introduction of the seven partnership Community Resilience Hubs, which the Council established prior to the COVID pandemic, that signposts service users to the services provided by 18 partner organisations. In its 2021-22 Corporate Performance report, the Council reported the Hubs helped over 3,000 residents during the pandemic, including ensuring vulnerable people continued to receive services.
- however, more broadly, we found that the Council needs to more fully demonstrate that the sustainable development principle is actively shaping its Built Asset Review and its future asset planning. For example, the Council should:
 - take a much longer-term approach to its planning, underpinned by consideration of long-term trends and how they may impact upon what the Council wants/needs to do in the short and medium term.
 - involve stakeholders and service users in its asset management planning. For example, the Council needs to understand how service users want to access services both now and in the future in order to inform its plans for its estate.
 - take an integrated approach to its planning from the outset so that outcomes and resources are maximised. Our review found that not all relevant areas had been involved in the draft Built Asset Review. The Council needed to strengthen the alignment between its different strategies, such as its asset review, workforce plan, draft digital strategy and carbon reduction plans, which all impact upon each other. This would help ensure its asset planning makes a valuable contribution to delivering the Council’s well-being objectives.
 - consider how its asset planning can help the Council deliver its own well-being objectives and how it may impact on the delivery of other organisations’ well-being objectives.
- we raised these points with the Director of Estates when we met in January 2022 as we recognised that the Built Asset Review was ongoing. We were reassured by the officer’s response to our feedback. For example, the Council has since established a senior officer working group to ensure alignment of the Council’s key asset strategies.

The Council has good arrangements to deliver its current corporate asset management strategy and having responded to the COVID-19 crisis with agility and in partnership with other public sector organisations is looking to retain some benefits of new ways of working

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

- 15 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.
- 16 In reaching this conclusion we found that:
- in line with its Corporate Plan objective, since 2018 the Council has reduced the number of buildings it either owns or rents by 30%. This exceeds its original 20% target. Between 2018-20, the Council disposed of 66 surplus buildings and generated approximately £5.9 million of capital receipts.
 - the Council has an established broad outline process for assessing the range of potential uses of buildings that have been identified as surplus both within the Council and onto broader public service. These arrangements do include integration, collaboration and longer-term arrangements, which is that the Council:
 - explores whether another of its own services would have a use for the asset;
 - explores whether there is an interest in the asset amongst the wider public service;
 - engages with the Council's elected member for the ward in which the building is located; and
 - gauges the possibility of community asset transfer. The Council launched its 'RCT Together programme' in 2015 to enable community-based organisations to use premises that were no longer required for Council services. A recent example of the Council identifying an alternative to asset disposal is the Ferndale Community Partnership Hub that now leases an old school from the Council.
 - then, if the Council is unable to identify an alternative public service use for the asset, then sells the asset.

- the Council relies solely upon the service areas to consider and engage with its service users when managing its use of built assets. The Council should ensure that the perspective of service users is appropriately gathered, considered and influences the decision-making process on the future of the Council's operational buildings, especially those that are used for direct service delivery to the public.
- maintaining vital Council services during the pandemic required the flexibility of its staff, increased digitisation of services and practical solutions to enable over 3,000 previously office-based staff to work from home. Whilst the Council was already reviewing and rationalising its assets, the pandemic has accelerated some of its plans and arrangements.
- the Council can demonstrate that it is monitoring and learning from the changes brought about by the pandemic and how this can help it transform, adapt and maintain the delivery of its services. An example is that the Council has identified changing work patterns: some offices are now under-utilised. The Council's previous objective to reduce the number of office buildings and consolidate staff into fewer buildings has evolved. At the time of our fieldwork, the Council was trialling more flexible collaborative spaces for its staff to meet in its Porth offices, whilst also retaining a significant portion of staff working from home.
- in April 2018, the Council began developing community hubs and neighbourhood networks with a phased programme of investment over three years. It has established ten community hubs as part of the Council's approach to building resilient communities and early intervention and prevention. Many of these community hubs played a vital role in the pandemic, from where staff delivered food parcels, provided benefit advice and helped residents with shopping.
- there are examples where the Council has used its assets collaboratively with other organisations, such as Cwm Taf Morgannwg University Health Board, the Welsh Government, neighbouring local authorities, South Wales Police, the third sector and other partners. These examples include:
 - vaccination centres having been located within the Council's leisure centres.
 - developing and expanding their community partnership hubs that signpost service users to the services provided by 18 other organisations. The Council told us that they intend to extend these arrangements to 25 organisations in the near future.
 - relocation of food banks following the flooding damage caused by Storm Dennis in 2020.

The Council has strengthened its arrangements to monitor progress with its asset management plan, but, like other councils, will need to compare its data and performance with others to help it demonstrate its asset management arrangements are value for money

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

- 17 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
- 18 In reaching this conclusion we found that:
- in our strategic asset management report in 2016 ¹, we recommended that 'The Council should develop mechanisms for reporting a comprehensive picture of the management of its assets to senior managers and elected members to enable ongoing oversight and to inform decision making.' Following this report, the Council has strengthened its arrangements and its Cabinet receives regular and comprehensive updates on the current CAMP to allow monitoring of its progress. Given the links to other strategies and plans, such as workforce, digital and decarbonisation, the Council should consider how future reports and monitoring arrangements can help it understand and challenge progress against targets and the integration of its plans.
 - as part our examination of councils' performance assessments covering the 2020-21 financial year, we noted a reduced reference to comparative performance information although we recognise that the pandemic led to the suspension of some national data 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 and will be a challenge for councils to consider particularly as they continue to implement the requirements relating to self-assessment set out in the Local Government and Elections Act (Wales) 2021.
 - whilst the Council is very supportive of comparison through benchmarking, with a senior officer and elected member holding roles with the Consortium of Local Authorities in Wales² (CLAW), the opportunity for comparison and

¹ [Audit Wales, Rhondda Cynon Taf County Borough Council – Improvement Assessment 2015-16: Review of the Council's Strategic Approach to Asset Management, January 2016](#)

² [CLAW | About Us](#)

learning between councils has been temporarily suspended during the COVID-19 pandemic.

- the Council reported that it follows the best practice guidelines produced by the National Assets Working Group for the transfer or disposal or sharing occupation of land and property between public bodies in Wales.
- officers in the Council's Estates section have regular interaction with their professional body, the Association of Chartered Estates Surveyors and have benefitted from shared learning and training.
- whilst the Council currently has good arrangements to deliver its current corporate asset management strategy, it should actively seek to compare its arrangements and the learning from other organisations to continue to enhance its own arrangements, maximising its professional networks where possible.



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