



WALES AUDIT OFFICE  
SWYDDFA ARCHWILIO CYMRU

Archwilydd Cyffredinol Cymru  
Auditor General for Wales

# Project Brief – Review of **Powys County Council's** Organisational Transformation and Efficiency Savings Programmes

Audit year: 2018-19

Date issued: June 2018

Document reference: 628A2018-19



This document has been prepared as part of work performed in accordance with statutory functions.

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 the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to the Wales Audit Office at

[infoofficer@audit.wales](mailto:infoofficer@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.

This document was produced by Jeremy Evans, Adam Marshall, Alison Lewis and Gareth W. Lewis.

# Contents

## Project brief

Background	4
Legislative basis for the review	4
Purpose of the review	5
Focus of the review	5
Method	5
Main review questions	6
Output	6
Timetable	6
Wales Audit Office contacts	7

## Appendices

Appendix 1 – fieldwork schedule	8
Appendix 2 – document requests	9

# Project brief

## Background

- 1 As part of our 2016-17 performance audit programme, we included a project entitled 'Aligning the Levers of Change'. The purpose of this project was to find out how well councils were addressing current challenges and managing change. The review helped councils promote what was working well, identify barriers and develop local improvement opportunities.
- 2 In Powys County Council (the Council), we looked at the governance of the Council's transformation programme by holding facilitated discussions with the Cabinet; the Chairs and Vice Chairs of the Council's scrutiny committees; and the Chair and Vice Chair of the Council's Audit Committee.
- 3 In November 2017, we presented our findings from the facilitated discussions to the Cabinet and the Council. We found that the Council had a clear and ambitious vision and framework for significant change. However, given the ambition and pace of the Council's service change programme, there was significant scope for the Council to strengthen its governance arrangements.
- 4 We asked the Council to consider how to respond to the key observations that we made in order to drive change, with pace, to achieve common goals. The Council has incorporated its response to our observations into its wider Corporate Leadership and Governance Plan 2017-2020 (Vision 2025: Making It Happen).
- 5 Since our work in November 2017, the Council has further recognised the need for transformative organisational change at pace. A report to the Council's Improvement Assurance Board<sup>1</sup> stated that the Council had approved a balanced budget for 2018-19, using one-off funding sources and technical financial adjustments. The Council are aware that the use of one-off funding sources is not sustainable and that 'the Council in its current form is no longer sustainable'.
- 6 The Council needs to identify savings to address a significant financial gap for its 2019-20 budget and deliver them by the end of March 2020. The Council will be required to identify further substantial reductions in the following years to 2022-23. The report goes on to say, 'the seriousness and scale of the challenge [for the Council] is unprecedented and significant transformational change is required to be delivered at pace'.

## Legislative basis for the review

- 7 This project is designed to help discharge the Auditor General's duties under section 18 of the Local Government (Wales) Measure 2009 and section 17 of the Public Audit (Wales) Act 2004. It will also inform the examination undertaken by the

<sup>1</sup> Powys County Council, 25 April 2018, [Overview of the Council's Financial Position Report for the Council's Improvement Assurance Board, updated 14<sup>th</sup> June 2018, authored by the Head of Financial Services.](#)

Auditor General under section 15 of the Wellbeing of Future Generations Act (Wales) 2015.

## Purpose of the review

- 8 The purpose of this review is to provide insight into how effectively the Council is managing its organisational transformation and efficiency savings programme to deliver the Council's vision and generate savings, and gain assurance that the Council is taking action on the observations from the earlier review of 'Aligning the Levers of Change'.

## Focus of the review

- 9 The review will focus on the Council's approach to its organisational transformation programme and the delivery of the associated efficiency savings identified in its medium term financial plan. We will seek assurance that the approach and the Council's actions support the five ways of working set out in the Well-being of Future Generations (Wales) Act 2015. We will also seek to understand what action the Council has taken in response to the earlier work on 'Aligning the Levers of Change' and answer the question 'Is the Council effectively planning its approach to its transformation programme and the delivery of associated savings?'

## Method

- 10 By reviewing relevant documentation and holding workshops and interviews with key staff and councillors, we will review the governance and delivery arrangements for the transformation programme and its associated savings. We will also assess what progress the Council has made in moving towards its Powys 2025 vision since our last review.

## Main review questions

### Exhibit 1: main review questions

The table below sets out the main questions we will seek to answer in undertaking this review.

Level 1
Is the Council effectively planning its approach to its organisational transformation programme and the delivery of associated savings?
Level 2
Has the Council outlined a strategic vision of where it wants to be?
Has the Council effectively identified the scale of transformation required?
Has the Council determined how it will achieve its organisational transformation and efficiency savings programme?
Has the Council identified how it will engage people in the transformation and efficiency savings programme?
Has the Council established how it will monitor and evaluate the transformation and efficiency savings programme?

## Output

- 11 The format of the output from the review will be agreed with the Council as the project progresses. Any output will set out our findings, identifying areas for action and, where applicable, proposals for improvement.

## Timetable

### Exhibit 2: timetable

The table below sets out a proposed timetable for the review at Powys County Council.

Proposed timetable	
Project brief issued	June 2018
Fieldwork: document review, interviews and workshops with officers and councillors	July – September 2018
Report issued	December 2018

## Wales Audit Office contacts

### Exhibit 3: Wales Audit Office contacts

The table below sets out the Wales Audit Office team that will be working on this review at Powys County Council.

Name	Contact details
Performance Audit Director	Huw Rees <a href="mailto:Huw.Rees@audit.wales">Huw.Rees@audit.wales</a> 02920 320599
Performance Audit Manager	Jeremy Evans <a href="mailto:Jeremy.Evans@audit.wales">Jeremy.Evans@audit.wales</a> 07825 052861
Performance Audit Lead	Adam Marshall <a href="mailto:Adam.Marshall@audit.wales">Adam.Marshall@audit.wales</a> 02920 320623 or 07989 449661
Performance Audit Lead	Alison Lewis <a href="mailto:Alison.Lewis@audit.wales">Alison.Lewis@audit.wales</a> 02920 829314 or 07773 193217
Performance Auditor	Gareth Lewis <a href="mailto:Gareth.Lewis2@audit.wales">Gareth.Lewis2@audit.wales</a> 02920 829325 or 07710 063730

# Appendix 1

## Fieldwork schedule

### Interviews

#### Exhibit 4: interviewees

The table below sets out the initial list of people we would like to interview as part of this review.

Name	Title
Cllr Rosemary Harries	Leader
Cllr Aled Davies	Cabinet Member for Finance
Mohammed Mehmet	Acting Chief Executive
David Powell / Jane Thomas	Financial Services
Mark Evans	Lead officer for transformation
Emma Palmer	Head of Performance

### Workshops

#### Exhibit 5: workshops

The table below sets out the initial list of workshops we would like to run with officers and councillors as part of this review.

Workshops
Cabinet
Senior Leadership Team
Making it Happen Board Members
Officers leading on transformation projects
Heads of Service

# Appendix 2

## Document Request

Prior to on-site interviews and observations, we will undertake a review of transformation and budget related documents. These are identified below. However, we would be grateful if you could supply us with any additional documents, which you feel may be relevant to our work in this area. The list is not exhaustive and requests for additional documents may be made during the course of the review. Where documents in the list below are publicly available on the Council's website, please direct us to where we can find them.

Exhibit 6: the table below sets out the documents we would like to request initially as part of this review

Document title
<ul style="list-style-type: none"><li>• Documents relating to establishing the future vision for Powys County Council (when available)</li><li>• Council's Improvement Plan/Corporate Plan 2018-19</li><li>• Council's Medium Term Financial Plan (when available – due end May 2018)</li><li>• The governance/organisational structure for delivery of the transformation programme</li><li>• Up to date documentation related to the transformation programme including a communications plan (if available)</li><li>• Agenda, minutes and reports to Improvement Assurance Board</li><li>• Agenda and minutes of the Making it Happen Board</li><li>• Project initiation documents/project plans for transformation projects</li><li>• Any evaluation reports on the delivery of the transformation programme</li><li>• Any internal audit reviews/outputs into the transformation programme or individual work streams/projects</li><li>• Performance information in respect of the transformation programme</li><li>• Any action plans developed in response to the earlier 'Aligning the Levers of Change' work</li><li>• Budget monitoring reports</li><li>• Corporate Risk Register</li></ul>

Wales Audit Office

24 Cathedral Road

Cardiff CF11 9LJ

Tel: 029 2032 0500

Fax: 029 2032 0600

Textphone: 029 2032 0660

E-mail: [info@audit.wales](mailto:info@audit.wales)

Website: [www.audit.wales](http://www.audit.wales)

Swyddfa Archwilio Cymru

24 Heol y Gadeirlan

Caerdydd CF11 9LJ

Ffôn: 029 2032 0500

Ffacs: 029 2032 0600

Ffôn testun: 029 2032 0660

E-bost: [post@archwilio.cymru](mailto:post@archwilio.cymru)

Gwefan: [www.archwilio.cymru](http://www.archwilio.cymru)