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## Collaboration

# Caerphilly County Borough Council

**Audit year:** 2012-13

**Issued:** January 2014

**Document reference:** 625A2013

# Status of report

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The team who delivered this work was project managed by Nick Selwyn and consisted of Ros Jones and Alex Rawlin and was supported by the work of PricewaterhouseCoopers.

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# Summary report

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## Summary

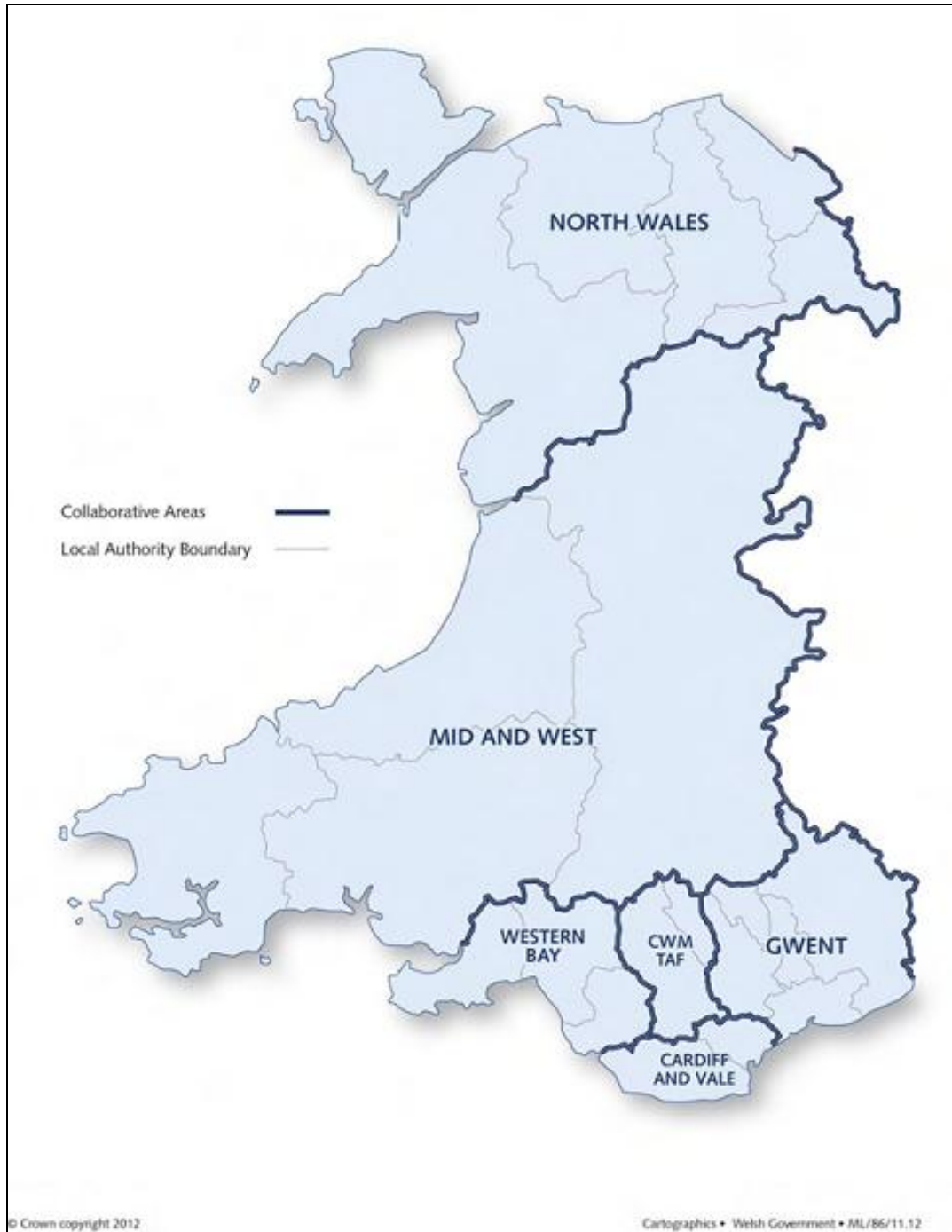
1. Collaborative working<sup>1</sup> in the local government sector includes a spectrum of ways in which two or more organisations can work together. Options range from informal networks and alliances, through joint delivery of projects to full merger. Collaborative working can last for a fixed length of time or can form a permanent arrangement.
2. In April 2012, the Welsh Local Government Association (WLGA) published *Legal Guidance for Collaboration*, which sets out the main models of partnership working as:
  - **informal arrangements** – which may be appropriate for matters such as specific initiatives with limited financial impact, knowledge sharing or temporary arrangements to cover an immediate problem;
  - **shared appointment/secondment** – a model which has been used to share senior management teams across two (or more) authorities but which may also be a way of achieving wider collaboration objectives;
  - **contractual arrangements** – with one authority providing goods or services under contract to another authority either on a cost recovery or for profit basis;
  - **delegation of functions** – a delegation of functions (based on statutory powers rather than contract) to another authority;
  - **corporate/joint venture** – where two or more authorities establish a corporate vehicle (usually a company) either as the vehicle for providing services back to themselves and/or to trade with a view to generating additional income; and
  - **joint committee** – this model usually involves one authority hosting the service with the other collaborating partners contributing to costs incurred.
3. Collaborative working can result in improved services or can lead to the provision of a wider range of services through increased geographical reach, resulting in access for more citizens. Collaboration also allows for more integrated approaches to meet the needs of citizens through organisations mutually supporting each other. This can result in financial savings and better use of existing resources as well as increased capacity to replicate success with better co-ordination of organisations' activities. Inherent in effective collaboration is the sharing of knowledge, good practice and information, which can result in positive public relations opportunities around reduced duplication.

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<sup>1</sup> Collaborative working can be defined as seeking to maximise efficiency gains through the scale in economies of more effective co-operation and co-ordination between agencies across the whole of the public sector, not excluding the independent, voluntary and private sectors. By using co-ordination rather than competition, users and producers of public services are enabled to be on the same side. As a consequence, the best outcomes are obtained when those who use and those who provide services work together in collaboration.

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4. Collaborative working can involve risk. Potential risks include outcomes not justifying the time and resources invested and confusion for those receiving services. There can also be a loss of flexibility in working practices and a lack of consistency and clarity on roles and responsibilities. Collaboration can result in complexity in decision making and loss of autonomy and the diverting of energy and resources away from core aims. There can also be a cultural mismatch between organisations, which often creates change management challenges. Collaborative working is not right for every organisation in every case. To minimise risk, time should be given to planning collaboration and to identifying and addressing issues.
  5. The Welsh Government has been actively promoting public service collaboration since its publication of *Making the Connections: Delivering Better Services for Wales* in October 2004. The publication outlined principles for public service reform including, 'working together as the Welsh Public Service: more co-ordination between providers to deliver sustainable, quality and responsive services'.
  6. A year later the Welsh Government published an action plan *Delivering the Connections: From Vision to Action* and commissioned a review to look at how local delivery organisations work together and how they are influenced by Welsh and UK governments. The *Beecham Review* was published in July 2006 and made recommendations about further joint working between authorities. The formal response to this review, *Making the connections: Delivering beyond boundaries transforming public services in Wales*, included a commitment to establish local service boards in each local authority area to make improvements and develop joint action.
  7. The Local Government (Wales) Measure 2009 gave Welsh improvement authorities powers of collaboration and gave Ministers powers to direct authorities to enter into specified collaboration arrangements. Two years later, the Local Government (Wales) Measure 2011 went further, giving the National Assembly powers to constitute a new local government area by amalgamating two or three existing areas. This measure also provides statutory guidance on collaboration.
  8. In 2011, the Minister for Local Government commissioned a review led by Joe Simpson, which led to the publication of *Local, Regional, National: What services are best delivered where?* Separate reports were commissioned for education and social services. The report advocated change through collaboration rather than reorganisation and made a series of recommendations, the first of which was the development of a Compact.
  9. The Welsh Government and Welsh Local Government signed this Compact on 5 December 2011 committing to developing collaborations across public service organisations and agreeing to clear timescales and accountability. In 2011, the government also produced a geographical footprint for regional collaboration to outline the basis for regional delivery (see [Figure 1](#)).

Figure 1: Welsh Government footprint for public service collaboration 2011



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10. The Welsh Government continues to develop its approach to collaboration and intends to introduce a Local Government (Collaborative Measures) Bill in the life of the current National Assembly.
  11. The Wales Audit Office has carried out a review of collaborative working across four councils in Gwent: Blaenau Gwent, Caerphilly, Monmouthshire and Torfaen. The reviews sought to assess whether the councils' approaches to collaboration were robust and delivering what they intended.
  12. Overall, we concluded that Caerphilly is involved in a high number of collaborations compared with the other councils we surveyed and, in general, we found scope to improve some arrangements for planning and management of projects and that the lack of information on costs and benefits makes it difficult to assess value for money.
  13. We came to this conclusion because:
    - councils we surveyed are involved in many collaborative projects and Caerphilly reported the second highest number of these projects compared with the other councils;
    - the planning and management of some projects could be improved by clearly setting out the rationale for collaborating, nominating a lead officer and specifying clear timescales for the project; and
    - collaboration projects in the councils we surveyed generally lack information on the costs and benefits of collaboration, which has made it difficult to assess value for money.

**The councils we surveyed are involved in many collaborative projects and Caerphilly reported the second highest number of these projects compared with the other councils**

14. In **Part 1** of the report, we provide an analysis of the number of collaborative projects in which councils we surveyed are involved. We found that councils have large numbers of collaborative projects ranging from 24 in Monmouthshire to 214 in Torfaen. The number of projects reported by Caerphilly (82 projects) is the second highest of all the councils we surveyed.
15. Many projects have been identified by one council but not by the others, even where they are named as a partner. This may be because each council is defining what constitutes collaboration differently.

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The planning and management of some projects could be improved by clearly setting out the rationale for collaborating, nominating a lead officer and specifying clear timescales for the project

16. We asked councils to provide information on the reasons for collaborating. This is important because there should be sound reasoning to justify when to collaborate and when not to. Information on these has been provided for around three-quarters of projects. In Caerphilly, the council provided these reasons for most of their projects (84 per cent), which is higher than the other councils we surveyed.
17. It is good practice for collaborative projects to have a named lead officer. Without responsible named officers, there is a danger that no one is driving or being held accountable for outcomes of projects. Across the four councils we surveyed, we found that more than half of the collaborative projects have named lead officers, though this varies from only eight per cent in Caerphilly to 92 per cent in Monmouthshire.
18. For the majority of projects, councils did not provide a start date or duration. Without this, there is a risk that partners could continue indefinitely with collaborative arrangements without any review or evaluation. Councils we surveyed provided a start date for only 32 per cent of projects and they provided the project duration for only 29 per cent of projects. Caerphilly provided a start date for only 41 per cent of its projects and it provided a duration for 62 per cent of projects.

Collaboration projects in the councils we surveyed generally lack information on the costs and benefits of collaboration, which has made it difficult to assess value for money

19. For councils to be able to assess the value for money gained from collaborative projects, they need to have good financial information as well as information on expected benefits, performance and outcomes from projects.
20. In our survey, councils provided very little financial information on their collaborative projects. Financial information, such as details on funding, budgets, income and ongoing financial commitment, was missing for over 80 per cent of projects. And information on expected or achieved benefits was missing for 69 per cent of projects.
21. In Caerphilly, financial information was missing for most collaborative projects. Information on performance or outcome improvements required from collaboration was provided for 90 per cent of projects, although limited detail was included and levels of improvement were not quantified.



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22. As part of our review of collaboration, we undertook a more detailed assessment of two Gwent-wide collaborative projects which are discussed in [Case Studies 1 and 2](#). We found that even in these large, high-profile collaborations, there are similar issues with a lack of information on costs and benefits of the project.
23. As the information supplied by the councils for many of the projects lacked detail on costs and anticipated benefits of collaboration, it is difficult for the councils to assess whether their collaborative projects provide value for money.

## Proposals for improvement

### **Improve the approach to planning and managing collaborative projects**

P1 Develop and agree arrangements to ensure that the Council has oversight of the collaborative projects it is engaged in and appropriate governance and management arrangements to assess and, where appropriate, report on the effectiveness of collaborative projects. This approach should:

- Be flexible enough to manage small informal collaborative projects and large formal collaborative projects.
- Provide clarity at the outset of projects on:
  - reasons for collaborating;
  - how decisions will be made and by whom (both locally and regionally or across the collaboration);
  - timescales;
  - expected costs; and
  - expected benefits.
- Include mechanisms for:
  - project governance (including lead officers' accountabilities and challenge and scrutiny from members where appropriate);
  - financial management;
  - performance management;
  - risk management; and
  - regular review and evaluation.

### **Improve the arrangements that support the Gwent Wide Integrated Community Equipment Services (GWICES) project**

P2 Improve financial and performance management arrangements by:

- reviewing regional and local GWICES budgets to prevent further regular overspends; and
- reviewing performance management arrangements to ensure that the appropriate information is used to inform decision making and ensure data protection issues are addressed.

# Detailed report

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## Part 1: Councils we surveyed are involved in many collaborative projects and Caerphilly reported the second highest number of these projects compared with the other councils

24. Four of the councils in Gwent (Blaenau Gwent County Borough Council, Caerphilly County Borough Council, Monmouthshire County Council, and Torfaen County Borough Council) were asked to provide information on the extent and management of their collaborative projects in a survey return. They were asked to identify all of their collaborative projects and provide us with information on:
- the name of the project and the lead officer;
  - the rationale for collaborating and the type of collaborative arrangement (from informal arrangements to joint ventures/contractual arrangements);
  - the costs of the project and financial arrangements attached to it;
  - the start date and timescales for the project; and
  - the expected/achieved benefits.
25. There is variation in the number of collaborative projects (see [Exhibit 1](#)) identified by the councils. Torfaen provided information on the most, 214, whilst Monmouthshire provided information on the fewest, 24. From the information provided it is clear that there are collaborative projects across a range of service areas and functions, including environmental services (27 per cent), health and social care (20 per cent), education (19 per cent), and resources and back-office functions (11 per cent). Many projects have been identified by one council in its survey return but not identified by the others, even where they are named as partners. This may be because each council is defining what constitutes collaboration differently.

Exhibit 1: Number and type of collaborative projects

Council	Number of collaborative projects	Environmental services	Health and social care	Education	Resources and back-office functions	Other
Blaenau Gwent	43	11	14	10	7	1
Caerphilly	82	28	12	4	7	31
Monmouthshire	24	5	5	2	7	5
Torfaen	214	53	43	53	20	45

Source: Wales Audit Office survey of councils

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- 26.** Areas for collaboration in Caerphilly are slightly different from those in the other councils we surveyed. The proportion of projects relating to environmental services is higher and the proportion focused on resources and back-office functions (nine per cent) and education and children's services (five per cent) is much lower than the other councils we surveyed.

## Part 2: The planning and management of some projects could be improved by clearly setting out the rationale for collaborating, nominating a lead officer and specifying clear timescales for the project

- 27.** It is important that there is a clear rationale for councils to become involved in collaborative projects. This is because collaboration is not right for every organisation in every case. Councils should be able to justify the reasons for embarking on collaborative projects so that the outcomes sought are clear and that the resources required are justified. Without this, there is a risk that partners could be committing resources to a project without clarity over what it is attempting to achieve.
- 28.** We found that for over three-quarters of collaborative projects in the councils we surveyed, some information was provided on the reason for entering into collaborative arrangements. The most frequent reasons provided for collaborating are: to improve performance or outcomes (67 per cent), to reduce costs (19 per cent), and to share knowledge (5 per cent). However, this means that for nearly a quarter (23 per cent) of projects, councils did not provide a rationale. For a further 17 per cent, the rationale is a brief statement about developing shared services, without an explanation of the need for or benefits of collaboration.
- 29.** In Caerphilly, the Council provided information on the rationale for entering into collaborative arrangements for most of its projects (84 per cent), which is higher than the other councils we surveyed. The most frequent reason given is to improve performance or outcomes (88 per cent). Reducing costs is only provided as a rationale for 22 per cent of projects. This is lower than all of the other councils we surveyed except for Torfaen. Where a rationale is provided, in many cases it is about the rationale for the service or project not about the need to work jointly with other organisations.
- 30.** It is good practice for collaborative projects to have a named lead officer. Without responsible named officers, there is a danger that no one is driving or being held accountable for outcomes of projects.
- 31.** Information on lead officers has been provided for just over half of collaborative projects, but this varies widely between councils. Monmouthshire identified lead officers for 92 per cent of projects; however, Caerphilly has only identified lead officers for eight per cent of its projects. This is much lower than all of the other councils we surveyed.

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- 32.** Named partners involved in the collaborative arrangements are provided for three-quarters of projects. A majority are collaborative projects with other councils (60 per cent), other public sector organisations (21 per cent) or the Welsh Government (11 per cent). Torfaen has more projects with the third sector and Monmouthshire has more projects with the private sector than other councils.
- 33.** Caerphilly provided information on partners in collaboration for most projects (85 per cent). This is more than in all but one of the other Gwent councils. The majority of collaborative projects are working with other councils (85 per cent). The Council is working with the Welsh Government on 16 per cent of projects and with the third sector on 13 per cent of projects, which is higher than the other councils we surveyed. But working with other partners in the public sector is rarer, on only nine per cent of projects. This is much lower than all of the other councils we surveyed.
- 34.** It is also important that collaborative projects have clear start dates and durations. This timing information is vital because without an agreement on the duration of a project, there is a risk that partners could continue indefinitely with collaborative arrangements without any review or evaluation. For the majority of projects (see [Exhibit 2](#)), councils did not provide a start date (68 per cent) or expected duration (71 per cent); however in Blaenau Gwent only 12 per cent of projects have no start date and 35 per cent have no duration.
- 35.** In Caerphilly, it is not always clear how long projects will or should last. For over half of projects, the Council did not provide a start date (59 per cent), and for a minority it did not provide an expected duration (38 per cent). Where a duration for the project was provided, around half (49 per cent) are simply listed as 'currently up and running' and are not clearly time bound.

**Exhibit 2: Timescales for collaborative projects**

Council	Number of collaborative projects	Projects with start date provided	Projects with duration provided
Blaenau Gwent	43	38 (88%)	28 (65%)
Caerphilly	82	34 (41%)	51 (62%)
Monmouthshire	24	13 (54%)	10 (42%)
Torfaen	214	183 (14%)	196 (8%)

*Source: Wales Audit Office survey of councils*

## Part 3: Collaboration projects in the councils we surveyed generally lack information on the costs and benefits of collaboration, which has made it difficult to assess value for money

- 36.** For many collaborative projects (69 per cent), the councils have not provided information on performance improvements or savings to be made as a result of the project. This is perhaps not surprising as the rationale is not clear in a similar number of projects. Where information is provided, it focuses on improvement of outcomes (66 per cent) and financial savings (39 per cent). Even where information is provided, there is very little detail on the expected levels of improvement in performance or the level of financial savings expected. Without information on the benefits of collaboration, it is not possible to assess value for money.
- 37.** Councils provided very little financial information on their collaborative projects (see [Exhibit 3](#)). Across all of the councils, information was not provided on:
- funding sources (for 83 per cent of projects);
  - budgets (for 88 per cent of projects);
  - income (for 89 per cent of projects);
  - assets and liabilities (for 90 per cent of projects); and
  - ongoing financial commitments (for 94 per cent of projects).
- 38.** This means that only 17 per cent of projects had funding sources identified in the Council response. Without information on costs, it is not possible to evaluate value for money. Due to the gaps in the information provided by councils and based on the information provided, it is clear that it is difficult to assess whether collaborative projects in the four surveyed councils are providing good value for money.

**Exhibit 3: Financial information on collaborative projects**

Council	Number of collaborative projects	Projects with funding source information	Projects with budget information	Projects with income information	Projects with asset and liability information	Projects with information on ongoing financial commitments
Blaenau Gwent	43	12 (28%)	11 (21%)	32 (54%)	3 (7%)	5 (12%)
Caerphilly	82	8 (10%)	6 (7%)	4 (5%)	3 (4%)	4 (5%)
Monmouthshire	24	16 (67%)	12 (50%)	12 (50%)	12 (50%)	14 (58%)
Torfaen	214	24 (11%)	17 (8%)	18 (8%)	18 (8%)	16 (7%)

Source: Wales Audit Office survey of councils

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39. In Caerphilly, the Council provided more information on performance improvements or savings to be made as a result of collaborative projects than the other councils, with information provided for 90 per cent of projects. Where information is provided, it focuses on improvement of outcomes (69 per cent) or financial savings (23 per cent). However, even where information is provided, there is limited detail. Expected levels of improvement in performance or the level of financial savings expected are not quantified.
40. Caerphilly provided very little financial information on its collaborative projects. Most of the key data is missing, including information on:
- funding sources for 90 per cent of projects;
  - budgets for 93 per cent;
  - income for 95 per cent;
  - assets and liabilities for 96 per cent; and
  - ongoing financial commitments for 95 per cent.
41. This level of missing financial data is significantly higher than Monmouthshire and Blaenau Gwent and similar to Torfaen (see [Exhibit 3](#)). Due to the gaps in the information provided by the Council, and based on the information provided, it is clear that it is difficult to assess the value for money for most of the collaborative projects in Caerphilly.
42. As part of our review of collaboration, we undertook a more detailed assessment of two Gwent-wide collaborative projects, the Gwent Supporting People programme and GWICES, which are discussed in [Case Studies 1 and 2](#). We found that even in these large, high-profile collaborations, there are similar issues with a lack of information on costs and benefits of the project and difficulties in assessing value for money.

## Case Study 1: Gwent Supporting People

**Gwent Supporting People collaboration has good working relationships and developing governance arrangements, but there is limited member involvement and limited information on the costs and benefits of the programme**

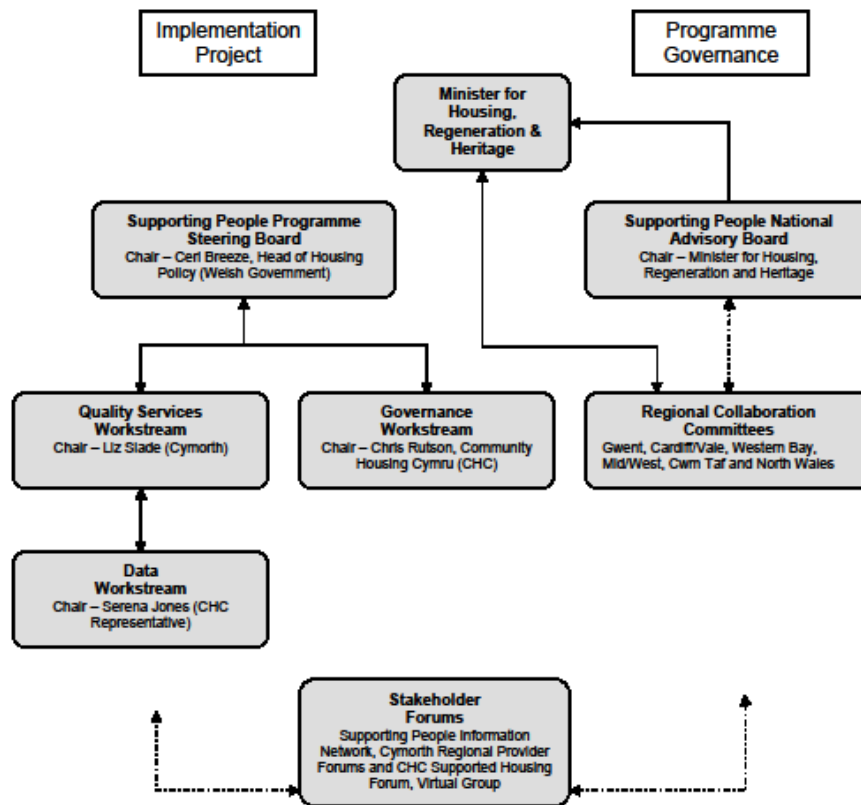
43. The Supporting People programme was launched on 1 April 2003 to help vulnerable and older people live independently in their own homes. It is a UK-wide programme, but is run and administered differently in each of the constituent countries. The Welsh Government invests over £136 million in the Supporting People programme each year. This money is used to support more than 56,000 people to live independently. The programme aims to prevent problems by providing help as early as possible. As well as older people it supports households fleeing domestic abuse, people who are homeless, and people with mental health issues, substance misuse needs or a learning disability.

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- 44.** The aims of the programme, as set out in Welsh Government guidance in 2003, are to:
- help vulnerable people live as independently as possible;
  - provide people with the help they need to live in their own homes, hostels, sheltered housing or other specialist housing;
  - prevent problems in the first place or providing help as early as possible in order to reduce demand on other services such as health and social services;
  - provide help to complement the personal or medical care that some people may need;
  - put those who need support at the heart of the programme;
  - ensure quality services, which are delivered as efficiently and effectively as possible through joint working between organisations that plan and fund services and those that provide services;
  - provide funding for support based on need; and
  - promote equality and reducing inequalities.
- 45.** In 2010, the Welsh Government commissioned Sir Mansel Aylward to review Supporting People in Wales. The *Aylward Review* specifically focused on distribution of funding, value for money, partnership working and administrative consistency. The review made a number of recommendations including the creation of a single grant and new governance structure. Following this review, new Welsh Government guidance was provided in 2012 which outlined new arrangements to improve national and regional working. A Supporting People National Advisory Board (SPNAB) is in place and has responsibility for the strategic direction of the Supporting People programme across Wales. It is chaired by the Minister for Housing and meets twice a year. Six Regional Collaborative Committees (RCCs) are now in place and these have responsibility for overseeing regional programmes and prioritising investment. The RCCs are advisory with no executive or finance powers. They consist of stakeholders from across the region to ensure that planning and commissioning of services makes the most effective use of the grant, as well as meeting local needs.
- 46.** The five Gwent councils (the four we surveyed plus Newport) have been working collaboratively as a Supporting People region for a number of years and this work predates the *Aylward Review*. This includes joint planning forums, a joint needs mapping process, information-sharing protocols and the direct employment of staff to provide administration and policy support within Gwent. This has now been superseded by the establishment of the RCC. The Supporting People governance structure is shown in [Exhibit 4](#) on [page 16](#).



Exhibit 4: Supporting People Structure – Governance and Implementation Structure

**Supporting People Programme – Governance and Implementation Structure**



**Implementation Project** – The workgroups have been established as part of action to implement the recommendations of the Professor Sir Mansel Aylward’s review of the Supporting People Programme.

**Programme Governance** – The groups are helping to deliver an effective Supporting People Programme. Service planning and commissioning is undertaken through Regional Collaborative Committees. The Committees draw up regional commissioning and spend plans. There are Supporting People Planning Groups in each local authority. These groups develop local commissioning plans, which in turn contribute to the regional commissioning plans. There are also separate sub groups to develop regional working through Regional Collaborative Committees.

**Stakeholder Forums** – The forums are in place to support the delivery and to assist in implementing the Programme by providing represented views of the sector.

Source: Welsh Government, Supporting People Guidance, 2012



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47. The Welsh Government has commissioned a review of RCCs to address issues of concern in relation to decision making and the split of responsibilities between councils and the RCCs. It is likely that the review will have an impact on prioritisation and approval of schemes but as yet this is unclear.
48. The five Gwent councils are responsible for delivering the Supporting People programme for their shared population of over half a million people. The need for Supporting People services is identified through a well-established pan-Gwent Needs Mapping Exercise system which is used to underpin local and regional commissioning plans for the provision of supported housing and other services in Gwent. Each local authority has a Supporting People team responsible for delivering the individual council programmes. The £20 million funding supports 80 service providers and over 450 services and projects.
49. The introduction of the new Welsh Government funding formula in April 2013 has resulted in an additional £2 million for the Gwent Supporting People region. Supporting People budgets from 2013-14 are outlined in [Exhibit 5](#).

#### Exhibit 5: Supporting People budgets 2013-14

Gwent councils are investing significant resources in supporting vulnerable people to maintain their independence.

Council	Supporting People budgets 2013-14
Blaenau Gwent	£2.3 million
Caerphilly	£6.3 million
Monmouthshire	£2.2 million
Newport	£6.4 million
Torfaen	£3.6 million
<b>Gwent total</b>	<b>£20.8 million</b>
<b>All-Wales total</b>	<b>£135.8 million</b>

Source: Gwent Supporting People Regional Commissioning Plan 2013-14

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Good working relationships have been developed between councils in Gwent which has resulted in a strong culture of collaboration on Supporting People

- 50.** We found that the day-to-day functioning of the Supporting People collaboration works well and relationships between Supporting People teams in each Gwent council, between the teams and their service providers, and other relevant council services are good. The Gwent collaboration was recognised as good practice in the *Aylward Review*. The Supporting People collaboration has established some good operational and planning systems. For example:
- the development of regional-wide systems for identifying and collating needs data;
  - establishment of joint training for Supporting People teams (and sharing of associated costs);
  - the development and use of data-sharing protocols;
  - joint development and working on Supporting People activities which promotes a consistent approach to the planning and delivery of the programme;
  - the agreement of standard policies and procedures to be used across the region;
  - common IT systems (SPRINT) for managing performance, although these are not yet in place in Blaenau Gwent County Borough Council or Newport City Council; and
  - aligned and shared contract performance management and service provider regulation framework.
- 51.** Good relationships have been developed with other relevant council services, other public and third sector services (such as housing, social services, health and domestic abuse agencies) and relationships with service providers are also generally good. We found that some councils felt that the operational links with health services needed to be improved.
- 52.** The culture of collaboration is built out of good relationships between Supporting People managers and strong support groups and networks which have grown and developed since 2003. These include:
- Supporting People Regional Officers Group (SPROG) – established in 2004. Membership includes the five Supporting People lead officers. SPROG meets on a bimonthly basis to discuss areas of agreed co-operation and shared working. It also identifies themes across the councils, shares local commissioning plans and spending plans, develops shared practices and approaches, and makes operational decisions.
  - Gwent Review Officer Group (GROG) – contracts, monitoring and review officers from the Gwent Supporting People teams meet monthly to develop common processes for monitoring and reviewing providers of Supporting People funded services.

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- Gwent Provider Forum – established in 2012 and membership covers service providers. The forum meets quarterly to share information on local, regional and national developments and feeds its views in to the RCC.
  - SPIN (Supporting People Information Network) – acts as an information-sharing forum for councils to influence future guidance and the development of the Supporting People programme and operates at an all-Wales level.
  - SPRINT IT support group – more recently established (2012) to discuss and resolve IT difficulties and develop standard practices.
- 53.** Despite this joint working, we identified that some inconsistencies still exist. Operational procedures, including payment cycles and procurement arrangements for commissioning services, differ in each council. The information provided by service providers for contract reviews is also inconsistent across the region. A performance management framework is in place and regular monitoring of services takes place within each council, but the range of indicators and information used is not consistent and there is no agreed regional approach to risk management.
- 54.** We found that the management arrangements are largely unchanged and have not been significantly amended as a result of the introduction of the RCC. For example, individual teams have not been integrated and continue to operate separately within each council. We found that finances are generally managed well but there are no pooled budgets. There are also some tensions between councils with regard to access to some specialist services, which are concentrated in one or two councils but made available to all Gwent citizens. These schemes have built capacity and enabled very specialist projects to be provided. Some concerns were expressed about the sustainability of these arrangements in the long term as demands on other mainstream services increase.

**Governance of the programme is bedding in following the *Aylward Review* and creation of the Regional Collaboration Committee, but there is limited local authority member involvement, challenge or scrutiny**

- 55.** As part of the Supporting People programme, all councils have to identify service user needs and develop a local commissioning plan and a resource plan which are used to develop, deliver and monitor services. The local commissioning plans, when collated, form the regional commissioning plan. Similarly, the local resource plans form a regional resource plan. In all of the councils, the key operational and day-to-day decisions are made by the Supporting People team and particularly the Supporting People manager.
- 56.** The approach taken in developing, consulting on, agreeing and monitoring these plans varies across the Gwent councils. For example, in all of the councils in Gwent, other than Monmouthshire, there is a Supporting People Planning Group in place. The amount of consultation undertaken with relevant stakeholders and service providers also varies. The collaboration also uses existing regional and national information such as the all-Wales report on the domestic abuse modernisation project to plan priorities.

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- 57.** The level of involvement of senior managers and members in the development and agreement of the local commissioning plan varies:
- In Monmouthshire, plans are approved through the Directorate Management Team, the Council's Senior Leadership Team, individual Executive member and Cabinet.
  - In Blaenau Gwent, plans are approved through the Directorate Management Team, Corporate Management Team and the Executive, and also reviewed by the Social Care Scrutiny Committee.
  - In Torfaen, plans are approved by the Directorate Management Team, Corporate Management Team and Cabinet, and also reviewed by the Social Care Scrutiny Committee.
  - In Caerphilly, plans are discussed at the Council's Management Information Group but not formally approved by Cabinet. The Council intends to get Cabinet approval for this year's plan.
- 58.** Similarly, the involvement of senior managers and members in monitoring Supporting People performance varies:
- in Monmouthshire, Supporting People performance information is not monitored by Senior Leadership, Cabinet or Scrutiny; and
  - in Blaenau Gwent, Torfaen and Caerphilly, Supporting People performance information is not monitored by Executive/Cabinet or Scrutiny but is monitored by departmental leadership teams and corporate management teams as part of adult social services' position statements.
- 59.** Members' involvement in the Supporting People regional collaboration to date has been limited, and challenge and scrutiny of the regional programme within Gwent are not well developed. For example, there is limited regional scrutiny and challenge of Supporting People plans, performance and financial information. Likewise, members from the five councils do not meet regularly to compare, review, challenge or scrutinise regional working. Currently only Monmouthshire has a member attending the RCC meetings, as the other councils have nominated officers to act as their representatives.

Scheme progress and performance monitoring are done regularly at a local level, but the range of indicators and information used is inconsistent and there is limited monitoring regionally

- 60.** In the last year, there has been a stronger focus on measuring the progress of schemes and the performance of service providers. Service providers are increasingly being held accountable by each of the commissioning councils and are now required to provide more robust and comprehensive contract monitoring information in addition to the existing requirement to provide service-user feedback. The results of contract monitoring are used to plan future commissioning decisions and develop new priorities. This learning is shared amongst the Supporting People managers at SPROG meetings. In some councils, more detailed business cases are starting to be developed for new schemes. These are initially used as a proposal for discussion,

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and, if supported, are worked up into detailed option appraisals for meeting identified needs and are used to gain senior management and political approval.

- 61.** However, currently there are limited arrangements in place for monitoring performance at a regional level, and where they exist they primarily focus on individual scheme discussions at SPROG meetings. There is no agreed regional suite of performance data to judge the effectiveness of current arrangements and performance is largely based on the different local data and systems established by each of the five councils. The developing role of the RCC is expected to include more performance management responsibilities but these are yet to be fully agreed and depend on the outcomes of the Welsh Government review. To enable effective regional working it will require the five councils and the RCC to develop common performance information and standards.

**Budget management arrangements operate in accordance with Welsh Government guidance and regional working is likely to be improving value for money but the extent of efficiencies and the level of savings being realised are not fully known at this time**

- 62.** Following the *Aylward Review* and the change to the formula-based approach, funding is distributed by the Welsh Government directly to the councils. Supporting People budgets are managed effectively within the services:
- In Blaenau Gwent, there are regular meetings between Supporting People staff and finance (both social services and corporate finance) to monitor expenditure and plan future investment. Budgets are monitored through the Council's standard budget procedures. Expenditure on individual schemes is monitored by the Supporting People team with service providers at individual project level.
  - In Torfaen, expenditure is monitored monthly and reports are regularly presented to Senior Management Team, the Chief Finance Officer and Cabinet. Quarterly reports are presented to Scrutiny as part of the Housing Division budget by the Senior Housing Accountant.
  - In Monmouthshire, expenditure is monitored through meetings between finance and the Supporting People lead. Expenditure information on Supporting People services is not formally reported to members at any level.
  - In Caerphilly, there are quarterly meetings between the Supporting People team and social services' finance officers to discuss and monitor the budget. In addition, there are monthly budget reports to the Health, Social Care and Well-Being Scrutiny Committee which includes information about Supporting People expenditure.

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63. We found that the regional working on Supporting People has resulted in some economies of scale. For example, joint commissioning of specialist supported housing schemes, joint-funded regional co-ordinator's post and streamlined Gwent-wide policies and procedures have all enabled services to be developed and run more efficiently. It is also believed that savings have been made on commissioning costs as a result of the regional-led approach to procuring services, but the level of these savings cannot be accurately quantified at this time.
  64. We did, however, find that the sharing of budget information on some joint projects is limited and there remains a wide range of approaches to funding services, which does not support regionally led commissioning. Consequently, this makes it difficult to track the interrelationship between budget spend and service performance. Some opportunities also exist to discuss and develop joint commissioning of services or sharing staff resources with the Aneurin Bevan University Health Board, and working with health through the RCC is an opportunity that will bring many benefits.
  65. Local commissioning arrangements for developing schemes and accessing places are inconsistent and based on the historical local-level development of Supporting People schemes by the individual councils. The move to a single funding stream, new accountabilities and regional arrangements provide an opportunity to improve consistency and understand and reduce comparative unit costs and consequently improve value for money.
  66. There are currently no pooled budgets and, at the time of our work, no plans exist to extend to sharing budgets. Spend is not analysed or prioritised regionally and at the time we undertook this work it was unclear how the information within the regional resource plan would be analysed and used by the RCC. This is significant, as the current plan is a collation of individual resource plans not a collaborative zero-based budget assessment of regional priorities and resources. Likewise, how the RCC prioritises regional schemes with cross-council funding being provided is yet to be agreed, which will affect the financial contribution from each partner.
  67. It is difficult to measure the overall performance of the collaboration due to the lack of measurable outcomes (either performance or financial). These were not clearly established at the outset and have been influenced by external changes such as the *Aylward Review*, which consequently makes it difficult to judge performance and impact over time. Despite the benefits of collaboration outlined above, there has been no formal evaluation of regional working to analyse the effectiveness of the current arrangements to determine whether this represents value for money or to identify efficiencies in regional collaboration. As a result, the collaboration is unable to demonstrate that it is providing value for money or reducing overall costs.

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## Case Study 2: Gwent Wide Integrated Community Equipment Services

GWICES is making significant improvements for service users and resulting in economies of scale, but there are significant overspends and evaluation of value for money is not undertaken

- 68.** Historically, council social services (working with local health services) have provided community equipment to help people to live independently in their own homes. A broad range of equipment for both adults and children is provided which supports individuals and carers to stay independent, receive care in a community setting or help with their recovery following an operation or illness. Items of equipment include hoists and specialist seating.
- 69.** In 2006, the Welsh Government developed a new approach to help improve community equipment services, providing a capital grant in 2006-07 and 2007-08 to help council social care and health authority services to work together more effectively. At the time of this funding being made available, there were two partnerships operating in Gwent; these partnerships merged into one in November 2007 to form the Gwent Wide Integrated Community Equipment Service (GWICES). The GWICES partnership operates with pooled capital and revenue grants (including the new capital grant from the Welsh Government) and operates in line with a formal Section 33 agreement<sup>2</sup>.
- 70.** In early 2009, the Management Advisory Board agreed the following outcomes for the collaboration:
- enabling people to live as independently as possible and to realise their full potential;
  - an integrated service, which will make it easier for people to get the equipment and help they need, when they need it, reducing unnecessary barriers;
  - a modernised service, which will take full advantage of the latest advances in technology;
  - an expanded service so that more people, including children, can access community equipment services; and
  - efficiencies from improved procurement and reduced duplication.

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<sup>2</sup> A partnership agreement under Section 33 of the National Health Service (Wales) Act 2006 has been established to allow for the integration of health and social care services and the pooling of budgets to deliver the GWICES project.



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- 71.** Torfaen County Borough Council is the lead commissioner for GWICES. On behalf of the five councils and Aneurin Bevan University Health Board, Torfaen tendered for the provision of a community equipment service in 2010. A five-year contract was awarded to Vision Products (a supported business of Rhondda Cynon Taf County Borough Council) from 1 April 2011. Vision Products is contracted to procure, store, deliver, demonstrate, install, maintain, test, collect, repair and recycle relevant equipment which is used to maintain and promote independent living for residents across the five councils.
- 72.** The GWICES project is co-ordinated regionally by the Lead Commissioning Team which is managed by Torfaen County Borough Council. The Lead Commissioning Team manages the performance of the service provider, Vision Products Newport, develops and improves procedures and shares best practice with all partners. Within Gwent, the five councils and Aneurin Bevan University Health Board are responsible for delivering GWICES through service teams which prescribe equipment for service users. A Management Advisory Board has also been set up to oversee the work of GWICES and is made up of officer representatives from all partners. The Management Advisory Board has responsibility for:
- implementing the overarching strategy and determining budget levels and budget allocations;
  - determining and agreeing governance arrangements;
  - overseeing, monitoring and evaluating these arrangements including the management of the pooled fund; and
  - holding approved provider(s) and the Lead Commissioning Team to account in meeting their agreed responsibilities.
- 73.** GWICES is funded from the Section 33 pooled budget made up of contributions agreed by all partners annually, and the lead commissioner manages the pooled budget. Torfaen's GWICES team provides detailed monthly budget monitoring reports, which identify expenditure by all budget holders. The lead commissioner receives payments based on service activity levels through the contract and the Section 33 agreement has a process for approving over and underspends.
- 74.** In 2012-13, the GWICES partnership invested approximately £27 million (see [Exhibit 6](#)).



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### Exhibit 6: Apportionment of GWICES costs by partner 2012-13

Gwent councils are investing significant resources in GWICES to support vulnerable people to maintain their independence.

Partner	Volume of equipment	Apportionment of fixed contract charges	Cost of apportioned services
Aneurin Bevan UHB	3,468	12.81%	£3.468 million
Blaenau Gwent CBC	2,082	13.21%	£3.577 million
Caerphilly CBC	5,488	28.29%	£7.660 million
Monmouthshire CC	2,903	14.58%	£3.949 million
Newport CC	2,209	16.66%	£4.512 million
Torfaen CBC	2,114	13.81%	£3.740 million
<b>GWICES total</b>	<b>18,264</b>	<b>100%</b>	<b>£26.906 million</b>

### GWICES is making significant improvements for service users

75. As a result of the GWICES collaboration, staff from all five Gwent councils and Aneurin Bevan University Health Board are working much more closely together and starting to provide a seamless and integrated community equipment service for residents. This is resulting in improved performance such as: shorter waiting times for assessment of needs; simpler pathways to getting the help they need, especially for people coming out of hospital); a broader range of equipment being available to meet their needs; and quicker access to equipment. The appointment of the GWICES Occupational Therapist, who has very specialist knowledge, is helping to provide service users with the most appropriate equipment solution to meet their needs. This appointment was initially for a fixed term of 12 months from July 2012, but has since been made permanent.
76. The collaboration is also helping to reduce the demand for and cost of other more expensive types of care, such as domiciliary care and residential and hospital care, by supporting people to live in their own homes. The collaboration has facilitated shared learning across the partners as well as an increased awareness of the equipment available and shared evaluation of equipment.
77. GWICES has standardised procedures and the collaboration has improved the quality and accuracy of information to better inform residents on the options available to them. There remain some variations in the type of equipment that can be provided. For example, some partners do not allow audiology equipment to be prescribed whilst others do.

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Economies of scale are being made through collaboration but these have not been quantified and all councils have overspent on GWICES budgets

- 78.** GWICES is funded via the Section 33 pooled budget made up of contributions agreed by the GWICES partners before the start of each financial year. Costs are split between the partners to pay for the commissioning team and for the Senior Occupational Therapist post. The pooled budget is managed by the Lead Commissioning Team, which manages the fixed and variable payments to Vision Products Newport. The Lead Commissioning Team underspent in 2012-13 and the underspend was redistributed to partners. There are also reduced costs for each partner to pay for the Lead Commissioning Team for 2013-14. Budgets are monitored at both a council and regional level.
- 79.** We found that budgets are not being set at an appropriate level to meet the increased demands for equipment from service users. Spending levels vary from month to month, and there are limitations in the current monitoring arrangements for expenditure. The individual councils are not able to accurately forecast future activity levels and the likely cost. The Lead Commissioning Team is focusing on controlling the overspend by requiring councils to fill in and submit overspend proformas to track and manage investment. However, all partners have experienced, or are predicting overspends and some councils feel that they have less control over their levels of spending than before entering into the GWICES collaboration. The levels of overspends were as follows:
- In Caerphilly County Borough Council, the overspend was £10,969 for 2011-12 (£600,657 spent against a budgeted £589,688). Before additional funds were provided, the projected overspend for 2012-13 was £73,757. As a result of the additional funds provided by the Council in line with the Section 33 agreement (£114,427 to help address the overall overspend), this position changed to an underspend of £61,390.
  - In Torfaen County Borough Council, there was no overspend in 2011-12, but the projected overspend for 2012-13 was £18,183.
  - In Monmouthshire County Council, the overspend was £36,611 for 2011-12 (£333,111 spent against a budgeted £296,500). The projected overspend for 2012-13 is much more significant at £113,328 (£404,694 against a budget of £291,366).
  - In Blaenau Gwent County Borough Council, in 2011-12 before budgets were shifted, the projected overspend was £10,493 and then £16,000. As a result of the additional funds provided by the Council in line with the Section 33 agreement (£8,916 to help address the overall overspend), this position changed to an underspend of £13,020. In 2012-13 before budgets were shifted, there was a projected underspend (at the first budget monitoring meeting) of £3,257 and an overspend (at the October budget monitoring meeting) of £50,000. As a result of an additional contribution of £47,548, this position changed to an underspend of £23,543.

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- 80.** We also found an inconsistency in how GWICES budget information is reported within the individual councils. For example, in Torfaen County Borough Council, there have been no budget reports discussed at Scrutiny; although the Cabinet member for social care is aware of the overspend of the budget. The service manager has regular meetings with the Cabinet member and provides updates and expenditure. In Blaenau Gwent County Borough Council, there have been no financial reports discussed at Scrutiny but the Executive member is aware of the overspend of the budget. Whilst in Caerphilly County Borough Council, monthly budget monitoring reports have been received by members which have highlighted the overspend in budget.
- 81.** Economies of scale have developed in the collaboration through bulk purchasing of large amounts of equipment. But these savings have not been quantified and are not monitored within the collaboration. The Council informed us that a Value Wales assessment identified savings on the Vision Products contract from July 2009 to January 2013 of £374,538. The Management Advisory Board agreement to the permanent appointment of a full-time Senior Occupational Therapist (based at Vision Products) has also made savings of £102,812 over a six-month period. The Senior Occupational Therapist scrutinises all orders raised for specialist items to see if a comparable item is already in stock. If this is the case, they cancel the order and assign the stock item.
- 82.** In many cases, standard equipment can be recycled when it is no longer needed by service users. Using recycled stock is often more cost efficient than buying new equipment, even though some of it may require repair or quality and safety checks before it is reissued. However, delays in collections and repairs of recycled equipment are causing delays in redistribution and longer waiting periods for service users. As a result, the opportunity to reduce costs and reduce the need for new equipment purchases is also not being maximised.
- 83.** There has been no evaluation of the costs or savings being achieved as a result of the collaboration and it is not possible to assess whether it is providing value for money.

**The regional collaboration has sound governance arrangements but local elected member involvement is limited**

- 84.** In all of the councils, the key operational and day-to-day decisions are made by the practitioners and service managers. GWICES issues are discussed at Departmental Management Team meetings where necessary. Formal regional governance arrangements are in place and these are working well. The Lead Commissioning Team is responsible for managing the performance of the commissioned services and for co-ordinating developments on a regional basis. Since its inception, GWICES has benefited from a more business-like approach to purchasing which has improved the overall delivery of the programme. The Management Advisory Board has recently been reviewed and membership is now seen as being 'fit for purpose'. It is responsible for making strategic developments in the service. An Operational Management Group has been established to support the Management Advisory Board and is made up of operational managers from each of the partners. Vision Products Newport is

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accountable to the Lead Commissioning Team and decisions on changes to the Vision Products Newport contract are discussed with all GWICES partners.

- 85.** However, there is limited involvement by elected members in GWICES and the approach within councils to how these services are evaluated and held accountable varies. For example, in Torfaen, issues with GWICES or the Lead Commissioning Team are discussed at the Healthier Communities and Overview Scrutiny Committee operating as the lead local authority. Performance information is also received by this scrutiny committee and services are subject to regular challenge and held accountable for their performance. However, in Caerphilly, no reports on progress or development of GWICES have been made to members and the only information regularly subject to scrutiny is monthly budget monitoring reports. Similarly, in Blaenau Gwent, there have been no reports discussed at Scrutiny except for the performance information on GWICES as part of the social services performance data. This inconsistency in approach means that no structured and consistent evaluation of the GWICES collaboration is taking place across Gwent at this time.

**Performance management arrangements are in place but information is not being used to challenge or inform decision making**

- 86.** Existing groups are monitoring performance across the region. The Lead Commissioning Team collates agreed performance data biannually and this information is provided to each partner. Performance information includes regional data such as expenditure, the number of equipment deliveries and the number of items collected. This information is also used by the Management Advisory Board and the regional groups to monitor performance.
- 87.** The Lead Commissioning Team Service Improvement Plan 2011-12 contains a series of actions, performance data and identified risks. The service improvement plan is monitored by the lead commissioner. The Lead Commissioning Team also supports partners to use national minimum standards to identify gaps in performance. A representative from the Lead Commissioning Team attends regional group meetings to engender a joint understanding amongst partners of the links between finance and performance.
- 88.** Existing groups, including the Operational Management Group and the Management Advisory Board, are monitoring performance across the region. The Lead Commissioning Team collates agreed performance data monthly and this information is provided to each partner. It is presented biannually in the form of record cards. Further comprehensive monthly performance information is collated by Vision Products Newport which includes performance information on activity and maintenance, finances and quality assurance. Performance information also includes regional data such as expenditure, the number of equipment deliveries and the number of items collected. This information is also used by the Management Advisory Board and the regional groups to monitor performance.

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- 89.** We found some weaknesses in the current performance management framework for GWICES:
- Whilst the collaboration uses the original high-level outcomes in the Section 33 agreement as priorities for improvement and overall targets, these targets are not measured or reported against on a regular basis and are not used to assess performance.
  - Although the amount and detail of the reported performance information is extensive, it does not include information on performance on delivery times, out-of-stock items and delays in waiting for equipment.
  - Performance information is not systematically taken to scrutiny committees so there has been limited elected member involvement or challenge to date.
  - Feedback from service users is used to improve procedures such as the checking of all new equipment before being delivered. We have been told that some of the service user data is inaccurate and there may be issues with data protection.
- 90.** There has been no formal evaluation of regional working to analyse the effectiveness of these arrangements or to determine the value for money of the regional collaboration. As a result, the collaboration is unable to demonstrate that it is providing value for money.



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