



CABINET – 1ST NOVEMBER 2017

SUBJECT: WALES AUDIT OFFICE (WAO) LOCAL RISK BASED REVIEWS: ASSET MANAGEMENT AND INFORMATION MANAGEMENT AND TECHNOLOGY - CAERPHILLY COUNTY BOROUGH COUNCIL

REPORT BY: ACTING DIRECTOR OF CORPORATE SERVICES & S151 OFFICER

1. PURPOSE OF REPORT

- 1.1 To advise Cabinet of the outcome of the review undertaken by WAO in respect of Asset Management and Information Management and Technology (IM&T). The WAO review has no statutory recommendations or proposals for improvement, hence Cabinet will be asked to consider endorsing the report and to note future work WAO are proposing to undertake.

2. SUMMARY

- 2.1 The report presents findings by WAO after a review of Asset Management and Information Management and Technology. WAO are proposing further work particularly around the Business Improvement Board. At this point there are no proposals for improvement or statutory recommendations.

3. LINKS TO STRATEGY

- 3.1 Effective Asset Management Plans along with a proactive use of technology support the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015:
- *A prosperous Wales*
 - *A resilient Wales*

4. THE REPORT

- 4.1 The WAO concluded that the Council has a good understanding of its assets and current IT arrangements but lacks a strategic approach to direct their use.
- 4.2 In respect of IM&T WAO concluded that the Council has a range of related policies, plans and processes but lacks an overarching digital strategy to drive its activities.
- 4.3 WAO acknowledged that as the Council is currently developing an outline business case to consider whether to join the regional Shared Resource Service (SRS) consideration would be given to carrying out more specific work, focussing on one or more of the following areas as part of their 2017-18 performance audit programme:
- to explore more fully the Council's approach to digital and IT after it has made a decision about joining the SRS in the autumn;
 - IM&T resilience (IT business continuity, disaster recovery and backups); and
 - Information and cyber security.

- 4.4 WAO concluded that the Council recognises the key role its assets have in helping to deliver its priorities but weaknesses in its new Corporate Asset Management Strategy and its delivery undermines its ability to shape the future of its assets.
- 4.5 Paragraph 21 of the WAO report says “It is difficult to see how in its current form, the Council will usefully use the Strategy to shape the way it manages its assets. For example for each of the Council’s asset categories, the Strategy does not set out the gap between its existing asset base and where the Council needs to be and the implications for its assets. Neither does the Strategy include information about the Council’s capital and revenue expenditure on its main asset categories or forecast future expenditure. Including this additional information and analysis would help provide a more comprehensive and holistic consideration of the Council’s assets. We understand the Council intended that this information would be included in individual asset management plans, but these are not yet in place”.
- 4.6 Paragraph 25 of the WAO report says “The Council acknowledges that as a result of the level of savings it now has to achieve, it will have to make some difficult decisions about the level and nature of its services. This will include decisions which relate to some of its major assets, such as its leisure services and schools. We are also aware that the Council is in the process of carrying out a number of other reviews, which could impact upon the Council’s assets. These include libraries, waste, and community centres. As set out in paragraph 11, the Council is also in the process of developing an outline business case to consider whether to join the regional Shared Resource Service for its IT services. We understand the Council is of the view that as a result of these ongoing reviews, it would not be helpful to have a corporate asset management plan and service asset management plans covering those services currently under review. As these reviews are completed, the Council will need to consider if its corporate asset management strategy should be updated to accommodate any asset related issues”.
- 4.7 We have advised WAO that Individual asset management plans are not yet in place for a number of service areas pending reviews as a consequence of more difficult and challenging savings targets.
- 4.8 The WAO also concluded as a result of the findings from a number of reviews over the last 12-18 months that there was a need to carry out a detailed review of the effectiveness of Council’s Business Improvement Board in providing strategic overview and direction for the Council’s key business improvement projects.

5. WELL-BEING OF FUTURE GENERATIONS

- 5.1 This report contributes to the Well-being Goals as set out in Links to Strategy above. It is consistent with four out of the five ways of working as defined within the sustainable development principle in the Act as detailed as follows:-
- Long Term – The Authority’s asset base should be a size that is sustainable and fit for purpose.
 - Prevention – Technological advances can be used to manage demand.
 - Collaboration – Opportunities to collaborate should be considered where appropriate when service changes are determined, where there is a viable business case. IT is a service subject to a proposal to collaborate on a regional basis.
 - Involvement – Proposed service changes should be subject to consultation and engagement. There should be evidence that the feedback has been considered prior to the decision being made. A consultation process would be undertaken in respect of collaboration proposals and asset rationalisation.

6. EQUALITIES IMPLICATIONS

- 6.1 There are no direct equalities implications stemming from this report on any group identified in Section 6 of the Council's Strategic Equality Plan, therefore an impact assessment has not been carried out.

7. FINANCIAL IMPLICATIONS

- 7.1 There are no financial implications that relate directly to this report.

8. PERSONNEL IMPLICATIONS

- 8.1 There are none.

9. CONSULTATIONS

- 9.1 There are no consultations that have not been included in the report.

10. RECOMMENDATIONS

- 10.1 Cabinet are asked to note and endorse the report.

11. REASONS FOR THE RECOMMENDATIONS

- 11.1 To ensure that Cabinet is aware of the review work undertaken by the WAO and the resultant findings, conclusion and proposals for improvement.

Author: Nicole Scammell, Acting Director of Corporate Services & S151 Officer
Consultees: Corporate Management Team
Councillor B Jones, Deputy Leader and Cabinet Member for Finance, Performance & Governance
Councillor L Phipps, Cabinet Member for Homes & Places
Councillor C Gordon, Cabinet Member for Corporate Services
Paul Lewis, Acting Head of IT
Mark Williams, Acting Head of Property
Gail Williams, Interim Head of Legal Services & Monitoring Officer
Ros Roberts, Corporate Performance Manager

Appendices:
Appendix 1 WAO report: Local risk based reviews: Asset Management and Information Management and Technology – Caerphilly County Borough Council